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It cannot fail to be of very great value to persons engaged in railway business, and I recommend all railroad officers and agents to avail themselves of the facilities afforded by this book for acquiring a knowledge of their legal rights and liabilities. A familiarity with the contents of this treatise would, in my opinion, be an effectual guard against most of the accidents and losses which occur in the carriage and delivery of persons and property by railway.

From George L. Dunlap, General Sup't of Chicago and North-Western Railway.

It is a book, which, in my opinion, will be exceedingly useful to railway men.

A

SUMMARY

OF THE LAW OF

MARINE, FIRE AND LIFE

INSURANCE,

WITH

PRACTICAL FORMS, MODERN CASES,

AND

COMPUTING RULES;

DESIGNED FOR THE GUIDANCE OF INSURANCE COMPANIES, AND
THE CONVENIENCE OF THE LEGAL PROFESSION.

By CHARLES C. BONNEY,

AUTHOR OF A TREATISE ON THE LAW OF RAILWAY CARRIERS.

CHICAGO:

E. B. MYERS & CHANDLER,
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1865.



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P R E F A C E .

I HAVE endeavored to make a useful book ; to present such a summary of the Law of Insurance as may be a ready guide to insurance men, and a convenient hand-book for the bench and the bar. Voluminous works, and exhaustive treatises, are necessary for the profession, but they are not adapted to every-day use. A summary view of the whole is essential to a proper judgment of any of the parts, and a clear knowledge of fundamental principles will, in general, lead to correct notions concerning matters of detail.

Aside from legislative and judicial duties, the highest office of the lawyer is to apply his legal learning, ability and experience to the development and protection of the great business interests of the country. Common litigation is a misfortune, alike to lawyer and client, and the golden day of juris-

prudence will have come, when clients have the good sense to avail themselves of professional aid, to secure success, instead of blundering on till some misfortune comes, and then seeking such aid to retrieve it.

In support of my text, I have referred, under each section, to one or two authorities. But general rules are usually deduced, not from single cases, but from many, and to most general rules there are exceptions and qualifications. So such references are regarded rather as showing where the subject may be further pursued, than as giving specific authority for the exact statement made. In many instances the adjudged cases are so numerous that a bare citation of them would have materially enlarged my book. In all condensed works the writer must trust the judgment of his reader to take the text "with suitable limitations and restrictions."

Condensed as my treatise is, however, it will, perhaps, be found to contain as complete a collection of the doctrines, rules, and precedents of Life Insurance as any of the other works on this branch of the law.

I even questioned the propriety of giving the chapters of Forms, but when I came to collect and arrange them, I was led to the conclusion that they were indispensable to the completeness of the work. I am not acquainted with any other book where such a collection of forms may be found. By giving the names of the companies by which the forms are used, I show their practical authority; and by the analytical headings inserted in them, the reader is enabled to see at a glance all the principal features of the instrument. I condemn, in strong terms, the common method of printing insurance blanks. Their typographical style and arrangement are such that they cannot be understood by any one not familiar with them, without more time and study than one applicant for insurance in a thousand can give.

The selected Modern Cases, and the Computing Rules from Ansell, will, I trust, prove convenient and valuable, both to insurance men and the legal profession.

The great number of insurance companies created within the last few years, renders such a work all the more desirable, and if it shall contribute in any

considerable degree to promote a prudent and successful transaction of insurance business, I shall feel doubly repaid for the labor I have bestowed.

The business of insurance rests on principles so good and beautiful, and produces results so wise and beneficent, that all right-minded persons will desire its increase and success.

In submitting the present undertaking to the profession and the public, it might seem ungrateful not to say, that I shall be most happy if it shall meet with something like the favor with which my humble treatise on the Law of Railway Carriers was received.

CHARLES C. BONNEY.

CHICAGO, AUGUST 16, 1865.

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THE LAW OF INSURANCE.

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RY — GENERAL AVERAGE.
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1. *Definitions of Insurance — Marine Insurance
— Fire Insurance — Life Insurance.*

Insurance is a contract of indemnity from loss or damage arising upon an uncertain event.
1 Marsh. on Ins. 104.

Marine Insurance is indemnity against the perils of the sea, and may be of goods on a certain vessel, or on a ship or ships indefinitely. Marsh. on Ins., ch. 4.

Fire Insurance is against all loss or damage by actual fire, and for all injuries and reasonable

charges attending the necessary removal of property in consequence of fire. 1 Bell's Com 626-7.

Life Insurance is an undertaking to pay a sum in gross, or a certain annuity to the person for whose benefit the contract is made, upon the death of the person whose life is insured. Park on Ins. 429.

2. *Definition of Policy — How Construed — Intention of Parties — Public Policy.*

A policy of insurance is an instrument in writing, by which the contract of insurance is effected and reduced to form. As to its form, the policy has been considered in courts of law as an absurd and incoherent instrument; but it has always been construed according to the intention of the parties, and so as to secure the indemnity of the insured, and the advancement of trade under a true public policy. 2 Bouv. Law Dic. 348.

3. *Kinds of Policy — Interest Policy — Wager Policy — Open Policy — Valued Policy — Definitions.*

An *interest policy* is where the insured has a real, substantial, assignable interest in the thing insured; a *wager policy* is an insurance founded on a fictitious risk, where the insured has no real interest, and can suffer no real loss; an *open*

policy is where the amount of the interest is not stated in the policy; and a *valued policy* is where the value of the interest is so stated as to govern the amount to be paid in case of loss. Wager policies are generally void. 3 Kent Com., sec. 48.

In an open policy the property is taken at its value at the time when the insurance took effect. The claim of the insured is founded on his interest at the time of the loss. 12 East, 639; 2 Wash. C. C. 468.

4. *Premium Defined — How Paid — Notes and Accounts.*

Premium is the consideration paid by the insured to the insurer for making an insurance. It is so called because it is paid *primo*, or before the contract shall take effect.

But in practice, the premium is not always paid in advance; sometimes notes are taken, and sometimes open accounts are kept. 2 Bouv. Law Dic. 370.

5. *Policy not Necessary — Informal Memoranda — Proposal Book, etc. — Oral Contract — Letters.*

No instrument is essential to the validity of the contract. If the proposals of the insured are writ-

ten in the usual way in the proposal book of the insurer, and signed by their officer, with the word "accepted" or "done," or in any way to indicate that the bargain is made, it is valid, though no policy be delivered, and would be construed as an insurance upon the terms expressed in the policy commonly used by the insurer. The better opinion is, that a merely oral contract of insurance would be valid, unless a charter or other statute require a writing. Parsons' Merc. Law, 403.

The contract of insurance may be made by correspondence, and contained in the letters between the parties. 9 How. 390.

6. *Usage of Business—Rule.*

Usage may be resorted to for the purpose of explaining that which needs explanation; but never to contradict that which is expressed in the contract. And no usage can be admitted to explain a contract, unless it is so well established that it must be presumed that the parties contracted upon the mutual understanding that such custom should be a part of their agreement. 13 Ill. 89; 12 G. & Johns. 468.

7. *Waiver of Rules.*

Almost any rule of an insurance company may be waived, either expressly, or by implication from the conduct of the officers or agents. 18 Barbour S. C. 69; 18 Ill. 553; 26 Ill. 360.

8. *Mistake in Policy, How Corrected.*

If a policy be issued which, by mistake, fails to state truly the real agreement of the parties, such mistake may be corrected by a court of equity. Phillips on Ins., sec. 1937.

9. *Local Terms, Trade Phrases, etc.*

Words having a local meaning or an especial force, as *trade phrases*, may be explained by oral evidence. 24 Ill. 133.

10. *Form of Policy — How Signed — for Whom it may Concern — in Blank.*

Though the policy is subscribed only by the insurer, it binds both parties. The insurance may be for a party by name, or "for whom it may concern," or "on account of owners at time of loss." A policy for _____ will be construed to be for whom it may concern. 12 Mass. 80; 8 Wend. 144.

11. *Alterations of Contract — Subsequent Agreement — Policies Under Seal — Requirement of Charter.*

Alterations may be made at any time by consent. It is now a perfectly well-settled doctrine, that a written contract may be materially varied and changed by subsequent agreement orally entered into by the parties before there has been a breach of its stipulations. 1 Stark. 336; 2 Mass. 176; 16 Maine, 439.

But if the policy is required by charter to be under seal, it seems that it can be altered only by an instrument also under seal. 1 Parsons on Contracts, 47, and notes; Gresley Eq. Ev. 276, and notes; 20 Ill. 104. An agreement to change it might be enforced in equity.

12. *Assignment of Policy — When Assignee may Sue — Action for his Use.*

A policy of insurance usually contains provisions regulating its transfer. But the assignee cannot sue in his own name unless specially authorized by statute of the State under whose laws the policy is transferred; if not, the action must be in the name of the insured, for the use of his assignee. A policy of insurance is not within the common statutes of

negotiable instruments. 5 Wend. 200; 1 Chitty Pl. 15, 16.

13. *Insurance of Profits — How Valued.*

Profits may be insured as such, or included in the valuation of the goods. They may be valued or insured in an open policy. 1 Johns. 439; 1 Sumner, 451.

14. *Insurable Interest — Possibility or Expectation — Bargainee of Goods.*

A mere possibility or expectation cannot be insured, but any actual interest may be. One who has bargained for goods may insure them; and if the property be in him at the time of the loss, he may recover. 6 M. & W. 224; 1 Wend. 85.

15. *Creditor, Lien on Property — Simple Debt.*

A mere indebtedness gives no insurable interest, but if the creditor have a lien on particular property, for his debt, he may insure this interest. 6 Cow. 318.

16. *Mortgagor, Mortgagee, Charterer, Assignee or Carrier — Disclosure of Interest.*

A mortgagor, mortgagee, charterer, assignee, trustee or carrier, may insure as on his own prop-

erty, and the interest of the insured need not be disclosed unless special circumstances require.

17. *Possession gives an Insurable Interest.*

It seems that mere possession, or a right thereto, creates an insurable interest. Such possession makes the party enjoying it the owner of the property to the extent of his right, whatever that may be, and he can insure accordingly.

18. *Commission Merchant — Expected Commissions.*

A commission merchant may insure the commissions which he expects to realize out of goods consigned to him for sale. 5 Met. 385.

19. *Insurance of Wages or Commissions by Mariners, Mates, Master of Vessel.*

Mariners or mates cannot insure their wages, but may insure goods purchased therewith, and one interested in such wages may insure them. A master may insure his wages, commissions or other profit. 3 Sum. 141; 5 B. & P. 206.

20. *Insuring Ship's Earnings.*

The earnings of the ship by carrying the cargo, are a frequent subject of insurance 16 Pick. 289

21. *Freight and Profits, How Insured — Open Policy.*

Freight is commonly covered by over valuation of the ship; profits, by valuation of the goods. But an open policy on the ship does not cover freight; and insurance on ship, goods or freight, will not technically cover profits, as such. Parsons' Merc. Law, 438, 439.

22. *Attachment — Execution — Stoppage — Liability — Sale, etc.*

An attachment, levy of execution, right to stoppage *in transitu*, liability to seizure by government, or the like, will not defeat an interest which was originally sufficient, but if there be a sale, stoppage or condemnation in fact, the title is divested, and the insurance discharged. Parsons' Merc. Law, 414, and cases cited.

23. *Business Prohibited or Illegal.*

If the business covered by the insurance be prohibited, or put under penalty by law, at the time of the insurance, the policy is void from the beginning. If it becomes illegal subsequently, the insurance is discharged. 15 Mass. 35.

24. *Unlawful Intent — Incidental Illegality — Smuggling — Presumption — Lawful Cargo-Illegal Voyage — Valid in Part.*

A policy will not be defeated by an unexecuted intention not carried into any effect, nor by such an incidental illegality as smuggling goods on board; or by failing to have provisions required by law; or by an illegal change not known to the insured, If the case be balanced, the presumption is in favor of the validity of the policy. There may be a lawful insurance of a cargo purchased with the proceeds of an illegal voyage. If a distinct part of a cargo or voyage be lawful, this part may be insured. 1 Story, 124; 13 Peters, 157; 11 Met. 199; 5 Johns. 310; 11 East, 502.

25. *Contraband Trade — Notice to Insurers.*

Contraband trade, strictly speaking, is not illegal by the laws of the neutral country; but if the owners of a ship contemplate such trade, they must inform the insurers of the additional risk, or the policy will be vitiated. 1 Johns. C. 141; 4 Conn. 297.

26. *Double Insurance — Rights of Insured — Contribution.*

Double insurance is where several policies exceeding the value of the property, cover the same subject-matter, and are in favor of the same party. If there be double insurance, and no provision to the contrary, the insurers must bear the loss *pro rata*, but the insured may recover the whole from either, and leave him to call on the others for contribution. 12 Mass. 214; 8 Johns. 229; 4 Camp. 228.

27. *Re-insurance — Validity of — Rights of Re-insured.*

Re-insurance is an insurance of the interest of the first insurer in the property, by reason of the risk he has taken. It is governed by the same general rules as original insurance. The insurance is not on the risk, but on the property.

Whoever has insured another, may lawfully cause himself to be insured against that risk. Re-insurance is a valid contract at the common law. 17 Wend. 359.

In case of loss, the re-insured is entitled to recover according to his liability, and is not limited to what he actually pays. 1 Sandf. 153.

The originally insured has no lien on the policy of re-insurance or its proceeds; and in case of insolvency of his insurer, comes in only as a common creditor. 3 Barb. Ch. 63.

28. *Warranty — Definition — Materiality — Intention — Defense.*

A warranty is a stipulation or agreement in the policy that a certain thing shall or shall not be, or does or does not exist. That the thing stipulated is immaterial; the intention with which the warranty is broken; the fact that the warranty is in another paper, and only referred to in the policy, will be no defense to an action. The only question is, is the warranty broken? 6 Wend. 488.

A false warranty makes the policy voidable from the beginning. 7 Term, 705.

29. *Implied Warranties — Fraud — Good Faith — Public Policy.*

The law implies a warranty of all such things as are so essential to the contract that the mere making of it without them would be a fraud — or without which it would be manifestly against good faith or public policy to enter into the agreement. 5 M. & W. 405.

30. *Neutrality, Warranty—False Papers.*

Neutrality may be warranted. And it has even been said that “false papers may be carried for commercial purposes, either when leave is given by the insurers, or when it is permitted by a positive and established usage.” 7 Cranch, 506 ; 1 Wash. C. C. 219.

31. *Misrepresentation—Concealment—Definitions—Effect.*

A misrepresentation or concealment discharges the insurers. A misrepresentation is an affirmation or denial, direct or indirect, express or implied, of something material to the contract, and contrary to the fact, and which tends to procure for him who makes it, the making of the contract, or some advantage in it.

A concealment is the suppression of a fact material to the contract, unknown to the other party, and which he cannot learn by the ordinary care required in such cases. 7 Cranch, 506 ; 8 Mass. 336 ; 2 Duer on Ins. 702 ; 5 Hill, 188 ; Arnold on Ins. 500.

32. *Inquiry and Answer—Disclosure of Expectation.*

A direct inquiry must be answered truly; but mere expectation, hope or fear, need not be disclosed. 1 Phillips on Ins., sec. 542.

33. *Disclosures—Duty of Applicant—Rule of Construction—Substantial Compliance.*

Everything should be stated which ought to be considered in estimating the risk, except things which the insurer does or ought to know, from other sources. Every statement or representation will be construed rationally, and so as to include all just and reasonable inferences. A substantial compliance will be sufficient; but a literal compliance, which is not substantial, will not be. The sum of the whole matter is, that in making a contract of insurance, the parties must act in good faith. Parsons' Merc. Law, 432.

34. *Premium—Premium Note—Return of Premium—Several and Subsequent Policies—Illegal Contract.*

Premium is often paid by note on time. It is not due till the risk is incurred. If not earned in whole or in part, it must be returned or credited

accordingly. If there be a single moment when the insurer bore the risk of the whole, there is no return of premium. If there be simultaneous policies, there must be a return *pro rata* of the excess of premiums not earned; in case of a subsequent policy, the latter is bound first to return premium not earned. There is no return in case of an illegal contract, where both parties are equally in fault. Parsons' Merc. Law, 435, 436; Cowp. 666; 4 Mass. 56; 8 M. & W. 165.

35. *Description of Property—Mistakes Therein.*

The description must be sufficient to identify the property. No mere mistake in a name or elsewhere will vitiate, if sufficient remain to fix the identity. 1 Wash. C. C. 145; 6 East, 382, 386; 3 Camp. 382.

36. *Definitions—Cargo, Goods on Board, Property, Ship, Vessel, Return Cargo, Proceeds, Returns—Intention of Parties.*

“Cargo,” “goods on board,” “merchandise,” mean much the same thing; and do not attach to ornaments, clothing, or the like, owned by persons on board, and not intended for commercial purposes. “Property” is the word of widest and almost unlimited meaning. “Ship,” or “vessel,” includes all

that belongs to it at the time, including additions and repairs. A "return cargo" includes purchases from any source — but "proceeds," or "returns," are generally limited to a cargo bought with the means of the outward cargo. But in all these cases *the intention* of the parties will control, if made to appear by the terms or circumstances of the contract. Parsons' Merc. Law, 437, *et seq.*

37. *Ordinary and Extraordinary Risks.*

It is a universal rule, that insurers are liable only for extraordinary risks; not for ordinary perils. Parsons' Merc. Law, 440.

38. *Loss from Nature of the Property.*

It is another rule that insurers are not liable for any loss by reason of the inherent quality of the thing lost. 12 How. 272; 6 Term, 656.

39. *Acts of Insured—Willful Misconduct of Master or Crew.*

The insurers are not liable for the acts of the insured; but for the willful misconduct or negligence of the master or crew, they may be liable. Parsons' Merc. Law, 442, and note 2; 12 Wheat. 410; 3 Pet. 222; 3 Sum. 276.

40. *Rights Acquired by Payment of Loss.*

The insurers of a cargo, by paying a loss thereon, put themselves in the place of the shippers, and are, as it were, subrogated to their rights. 5 Paige, 285; 4 Dal. 421; 8 Johns. 245.

41. *Detention in Harbor En Route.*

Detention while in harbor *en route* by stress of weather, ice, or the like, is the loss of the owner, not of the insurers. 2 M. & S. 278.

42. *Ship not Heard From — Presumption.*

If a ship be not heard from, it will be presumed, after a reasonable time, that she was lost by an extraordinary peril of the sea, and the insurers will be liable. But this presumption may be rebutted by evidence. 1 Caines, 525.

43. *Injury from Collision.*

Insurers of the ship in fault are liable for the loss directly sustained by the ship they insure, in consequence of a collision, which is a "peril of the sea." 14 How. 352.

44. *Loss by Fire — Fault of Insured — Quality of Property.*

The insurers of a vessel are liable for a loss by fire which was not occasioned by the fault of the insured, or the inherent qualities of the thing which takes fire. 1 Camp. 123.

45. *Piracy — Robbery — Theft.*

The insurers are generally liable for loss by piracy or robbery, and for losses by "assailing" thieves. If the word "assailing" be omitted from the policy, it is the better opinion that the liability would attach for a common theft. 1 Hill, 25; 5 Paige Ch. 285.

The insured are liable for theft after wreck; and would probably be so if there were no insurance against theft as such. 1 Story, 157.

46. *Barratry — Intention — Consent of Owner.*

Barratry is any wrongful act of the master, officers or crew against the owner, and the intention with which the act is done is not material. For such acts the insurer is generally liable, but the consent or participation of the owner, or his represent-

ative, will defeat the insurance. Parsons' Merc. Law, 448.

47. *Capture, Arrest, Detention.*

Mr. Parsons says that the terms, "capture, arrest, detention," have been held to apply, not only to acts of foreign powers, but also to those of the very government of which the insured is himself a subject, unless for a breach of the law by the insured. Parsons' Merc. Law, 450.

48. *Prohibited Trade—Contraband Trade—Effect of Engaging in.*

Prohibited trade belongs to a time of peace. Contraband trade to a time of war. If the trade be interdicted by the State to which the ship belongs, a participation in such trade will absolutely annul the policy; if by a foreign State, it is lawful for the insured to engage in it if he can. The better opinion is, that this latter risk is not covered unless specially named. 1 Peters C. C. 98; 3 Pick. 70.

If contraband trade be engaged in or attempted, and no seizure or condemnation follow, the insurers are not discharged, even where a liability for such risk is excepted. 6 Mass. 112.

49. *Deviation — Discharge of Insurance by — Course of Voyage — Mistake — Unnecessary Prolongation of Voyage — Liberty to Deviate, Rule of Construction.*

A deviation is a departure from or change of the risks insured against, and discharges the insurers, even if it does not increase the risk. Perhaps it would be more correct to say that a departure from the course of the contract works the discharge. 7 Cranch, 26.

But a deviation does not discharge if it be not voluntary, but from necessity. Wright, O. 202.

The master of a vessel must go to his destined port in the most natural, direct, safe and advantageous way. A mere mistake, or the exercise of a reasonable discretion, does not constitute a deviation. But a deviation from a plain course cannot be called a mistake. An extraordinary and unnecessary protraction of the voyage would be a deviation. Parsons' Merc. Law, 455.

Where liberty is given to deviate, the liberty is strictly construed against the insured. 9 East, 195; 3 Wheat. 159; 16 M. & W. 471.

50. *Stating Termini of Voyage.*

The termini of a voyage insured should be distinctly stated. 9 Mass 85; 4 East, 130.

51. *Lost or Not Lost.*

This or any equivalent phrase makes the policy retrospective, and the insurers are liable for any loss within the voyage, though it occurred before the policy was issued. 11 Pick. 229.

52. *Unreasonable Delay.*

Unreasonable delay in commencing the voyage annuls the contract. 12 Mass. 291.

53. *Commencement of Term — Rule of Construction.*

A term commencing "on" a certain day, begins with it — "from and after," begins the next day — "from" the date, begins either on or after the day, according to the context. Parsons' Merc. Law, 459.

54. *From Ship to Shore.*

Goods are commonly covered by insurance while in transit from ship to shore. 2 Taunt. 416; 16 East, 240; 3 Kent's Com. 310.

55. *Right to Abandon — Half Loss.*

The common rule is, that if the loss exceed one-half of the ship, goods or freight, the insured may abandon the residue to the insurers, and claim as for a total loss. 6 Mass. 479; 8 Cranch, 39; 20 E. L. & E. 37.

56. *Partial Loss — Residue — Repairs — Abandonment — Time, Choice, etc. — Form of.*

In cases of partial loss, the old thing injured is, by the established usage of the country, estimated at two-thirds the value of a like thing when new. This rule applies in making repairs. There are conflicting authorities on this point. Parsons' Merc. Law, 464, 465, 466, and notes.

The insured is never compelled to abandon. It is a matter of choice with him. 7 Metc. 451.

There is no especial form or method of abandonment. It is advisable to make it in writing. 3 Brod. & Bing. 147.

If the insured does not make an abandonment immediately after receipt of information which authorizes him to do so, he will be held to have elected not to abandon, and cannot subsequently do so. 6 Cranch, 273; 5 M. & S. 47.

57. *Right to Residue.*

If the insurers pay for a total loss, they are entitled to all the residue of the property, and all claims for what has been destroyed. Parsons' Merc. Law, 471.

58. *Loss or Injury After Abandonment — Revocation of Abandonment.*

If, after abandonment, goods be lost or injured by misconduct of the master or consignee, the insured is liable for such loss or damage. 2 Wash. C. C. 61; 1 Johns. 106.

An abandonment cannot be revoked without the consent of the insurers. 1 Conn. 184.

59. *Wreck — Duty to Save Goods.*

If the ship be wrecked, the goods must be saved if they can be, or the insurers will not be liable, unless the policy provides for misconduct of the master, etc. Parsons' Merc. Law, 473.

60. *General Average and Contribution — Liability of Insurers — Intentional Stranding — Common Peril, Volition, Success.*

If many interests or properties are in peril, and one or more of them be wholly or partially sacrificed for the purpose of saving the rest, all that is thereby saved must contribute towards indemnifying the owner of that which was sacrificed, so that he shall bear only his proportion of the loss. This is general average. Parsons' Merc. Law, 477.

The peril must be *common* — the sacrifice must be *voluntary* — and the endeavor must be in some degree successful. 10 How. 270, 303.

Insurers on any property must indemnify the insured for their contribution by way of average, for a loss which was itself neither a voluntary sacrifice, nor an expected loss, provided it followed directly from a voluntary sacrifice. 1 Caines, 196.

If a ship be purposely stranded to save the ship and cargo, all that is saved must contribute toward the loss. 2 Pick. 1—8.

61. *Wages, Provisions, Repairs, Salvage, Ransom, Bottomry — General Average.*

Wages and provisions, while on the way to a port of repair — expenses of repair, or of incidental de-

lay — salvage money — ransom money — bottomry or hypothecation contributions, are all the subject of general average. Parsons' Merc. Law, 482, 483, 484.

62. *The Risk of the Market.*

The insurer takes no part of the risk of the market, and his liability is the same, whether that rises or falls, although this may make a great difference as to the amount lost by the insured. What goods have lost from their original invoice value, is the amount which the insurer pays. 2 Burrow, 1172.

CHAPTER II.

FIRE INSURANCE.

1. GENERAL PRINCIPLES — MARINE INSURANCE.
2. ESTABLISHED USAGE MAY EXPLAIN CONTRACT.
3. WAIVER OF RULES, HOW MADE — CONDUCT OF AGENTS, ETC.
4. MISTAKE IN POLICY, HOW CORRECTED.
5. LOCAL WORDS AND TRADE PHRASES.
6. MUTUAL COMPANIES — RELATION AND RIGHTS OF INSURED.
7. THE GREAT RULE BETWEEN THE INSURER AND THE INSURED.
8. THE RIGHT TO REPAIR — LIABILITY FOR FIRE CAUSED BY REPAIRS.
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11. WHEN THE OWNERSHIP AND AMOUNT OF INTEREST MUST BE STATED.
12. RE-INSURANCE, WHAT ON, HOW GOVERNED — AMOUNT RECOVERABLE, ETC.
13. THE INSURED NO LIEN ON THE RE-INSURANCE.
14. DOUBLE INSURANCE, ADDITIONAL INSURANCE — LIABILITIES IN CASE OF.

15. WARRANTY, PRESENT, CONTINUING — RULE OF CONSTRUCTION.
16. ALTERATIONS, EFFECT OF.
17. MISREPRESENTATION, EFFECT OF.
18. MATERIAL CONCEALMENT, EFFECT OF — THE INTENT — DILIGENCE OF INSURERS.
19. THE RISK INSURED AGAINST — CONDITION OF THE PROPERTY.
20. NEGLIGENCE OF THE INSURED — WHEN A DEFENSE.
21. VALUATION OF PROPERTY IN POLICY, EFFECT OF.
22. TRANSFERS OF THE PROPERTY INSURED.
23. LOSS BY FAULT OF THIRD PARTY — RIGHT OF THE INSURERS.
24. NOTICE — REQUIREMENTS OF THE POLICY — WAIVER.
25. PARTIAL LOSS — EXTENT OF LIABILITY.
26. LIABILITY WHERE INSURERS REBUILD.

1. *General Principles — Marine Insurance.*

The general purposes and principles of fire insurance are the same as those of marine insurance. The law in respect to it differs only in those matters, and to that extent, which are made necessary by the differences in the subject-matter of the contract. Parsons' Merc. Law, 488.

2. *Established Usage may Explain Contract.*

Usage may be resorted to for the purpose of explaining that which needs explanation; but never to contradict that which is expressed in the con-

tract. And no usage can be admitted to explain a contract, unless it is so well established that it must be presumed that the parties contracted upon the mutual understanding that such custom should be a part of their agreement. 2 C. & J. 244; 13 Ill. 89; 12 G. & Johns. 468.

3. *Waiver of Rules, How Made — Conduct of Agents, etc.*

Almost any rule of an insurance company may be waived, either expressly, or by implication from the conduct of the officers or agents. 18 Barbour, S. C. 69; 25 Ill. 466; 26 Ill. 360.

4. *Mistake in Policy, How Corrected.*

If a policy be issued which, by mistake, fails to state truly the real agreement of the parties, such mistake may be corrected by a court of equity. And a contract may be reformed and enforced in the same suit. Phillips on Ins., sec. 1937.

5. *Local Words and Trade Phrases.*

Words having a local meaning or an especial force, as *trade phrases*, may be explained by oral evidence. 24 Ill. 133.

6. *Mutual Companies—Relations and Rights of Insured.*

In mutual companies, each person insured becomes, in a certain sense, a member of the company, and an insurer of all the rest; and is bound by the laws and rules of the company, as of his own making.

But it is sometimes overlooked that each person insured is nevertheless, as to his own application, an independent person, endowed with a full measure of rights against the company, and entitled to a full measure of redress at the hands of the law. In other words, public policy will not allow the mutual system to be used for the oppression or defrauding of individuals.

7. *The Great Rule between the Insurer and the Insured.*

There have been many cases, and not a few conflicting or irreconcilable decisions, in regard to the classification of risks, the description of the property, the change of its use, etc., but they may all be resolved by this single rule, namely: The company has no power to defeat the objects of insurance, by over-nice, arbitrary, capricious, or unreasonable regulations; and the insured must act in

good faith, and conform to the real spirit and substance of the contract which he makes. The superior knowledge and experience of the officers and agents of the company, is always to be considered. 6 Wend. 623 ; 2 Johns. Cas. 288 ; 2 Duer, 490 ; 29 Maine, 97, and the text books on insurance and other cases cited therein, especially Parsons' Merc. Law, 504, 505.

8. *The Right to Repair—Liability for Fire caused by Repairs.*

The insured may repair without especial leave, and the insurers are liable, although the fire take place while the repairs are going on, "and even if it be caused by the repairs," for insurance cannot be allowed to retard the general prosperity of the country. Where a barn was burned in consequence of the boiling over of a tar barrel, brought within it for purposes of repair, the insurers were not discharged. 1 Mood. & M. 90 ; 5 Hill, 10 ; 3 Comst. 122 ; 8 Conn. 459.

9. *Renewal, How Made, Whether Under Seal.*

Unless otherwise provided in the policy, a renewal by indorsement on the policy, or by certificate, should be under seal, if the policy be sealed, otherwise not. 2 Whart. 167.

10. *What Interest is Insurable — Assignor, Mortgagor, Trustee, Agent, Commission Merchant.*

Any legal or equitable interest is insurable ; but not a mere expectancy, or a merely moral right. 12 Wend. 507 ; 2 B. & P. 324.

For example : An assignor, for benefit of creditors, or a mortgagor or a mortgagee, may insure the property assigned or mortgaged.

A trustee, agent, or consignee, has an insurable interest, and may insure either his own interest for commissions, advances, etc., or the full value of the goods, for the benefit of himself and the owner, *pro rata*. One policy may cover goods held on commission for several owners, and may either specifically define the several interests, or be generally for the benefit of whom it may concern. 3 B. & P. 95 ; 1 Hall, 84, 124 ; 5 Pick. 34.

11. *When the Ownership and Amount of Interest Must be Stated.*

If required, the interest in, and custody of the property, must be truly stated ; for the insurers have a direct concern in knowing whose care and honesty they undertake to risk. 1 Paine C. C. 615

12. *Re-insurance, What on, How Governed —
Amount Recoverable, etc.*

Re-insurance is an insurance of the interest of the first insurer in the property, by reason of the risk he has taken. It is governed by the same general rules as original insurance. The insurance is not on the risk, but on the property.

In case of loss, the re-insured is entitled to recover according to his liability, and is not limited to what he actually pays. 1 Sandf. 153.

13. *The Insured no Lien on the Re-insurance.*

The originally insured has no lien on the policy of re-insurance, or its proceeds; and in case of insolvency of his insurer, comes in only as a common creditor. 3 Barb. Ch. 63.

14. *Double Insurance, Additional Insurance —
Liabilities in Case of.*

Double insurance is simply additional insurance. Where only a part is insured, the remaining interest may, of course, be protected by a subsequent insurance; this would not be double insurance. When the same interest in the same property is covered by several policies, then all the policies are regarded by the law as one policy; for the insured

cannot recover more than one full indemnity for one loss. If one company pays the whole, it may recover a ratable proportion from the others.

This matter is usually regulated by precise conditions, either in charter or in policy. 4 Dall. 348; 5 S. & R. 475.

15. *Warranty, Present, Continuing — Rule of Construction.*

The law of warranty and representation is, in general, the same in fire as in marine insurance. A warranty must, in general, be distinctly expressed. It may be in a separate paper, if distinctly referred to. It may be limited to a present fact, or it may be continuing; that is to say, intended to continue during the term of the policy. Whether so or not, must be determined by the words of the policy, and the nature of the thing warranted. The rule is, that warranties are construed liberally in favor of the insured; because of the superior position and advantages of the insurers in the matter of insurance, and their duty to see that everything is well and sufficiently done to effect the object of the contract. Parsons' Merc. Law, 319.

16. *Alterations, Effect of.*

Alterations which increase the risk, will, in general, discharge the insurers. Nice distinctions have been drawn on this subject, but the above may be regarded as a safe statement of the prevailing rule. If property is insured as in a particular place, and no provision is made for its removal, the consent of the insurer should be obtained. 17 Barb. S. C. 111; 9 *ibid.* 191.

17. *Misrepresentation, Effect of.*

A warranty is a part of the contract. A representation is not. If material, and known to be false by him who makes it, and not by the other party, it avoids the contract. In marine policies, a false representation avoids the policy, although innocently made. The reason is, that an insurer of objects on land can more fully inform himself about them. It seems that by agreement inserted in the policy, any material misrepresentation may be made to avoid it. Parsons' Merc. Law, 519, 522.

18. *Material Concealment, Effect of — the Intent — Diligence of Insurers.*

The concealment of a material fact, which the insurer ought to know, is said to have the same

effect as an expression of what is false. But it seems that the concealment must be intentional; and that it is the duty of the insurer to look with his own eyes to the condition of the property. The insurers are presumed to know all those things which, by the exercise of reasonable diligence, they might ascertain. But if inquiries be made, they must be answered truly. 14 Penn. State R. 393; 8 How. 249.

19. *The Risk Insured Against—Condition of the Property.*

The risk taken is that of fire. The property, at the time of the insurance, must be in existence, and not on fire, nor at the moment exposed to a dangerous fire. The insurer is liable for all immediate consequences; as injury from water used to extinguish the fire, or from removal from immediate danger, or the like, but not if the loss might have been prevented by ordinary care. 6 Barb. 637, 643; 13 Ill. 676.

There are cases to the effect that the insurers are not liable for loss from heat, or from lightning, without actual ignition. An explosion by gunpowder is a loss by fire; but not an explosion by steam.

20. *Negligence of the Insured—When a Defense.*

The general rule is, that negligence of the insured is no defense, unless it be so gross as almost necessarily to imply fraud. Parsons' Merc. Law, 527, and notes.

21. *Valuation of Property in Policy, Effect of.*

It seems that a valuation of the property in the policy, will, in the absence of fraud, bind both parties; the insured cannot prove it too low, nor the insurers show that it is too high. But if a company insure more than the proportion allowed by their charter, they will be held only for such proportion. 10 Met. 211; 18 Pick. 523.

22. *Transfers of the Property Insured.*

The insured must have an interest in the property *at the time of the insurance*, and also, *at the time of the loss*, otherwise he cannot recover. If he disposes of a part of his interest, he can recover only *pro rata*. 8 Mass. 515; 16 Wend. 385.

The authorities are not agreed on the effect of alienations of a part of the property. See cases cited by Prof. Parsons in Merc. Law, 532.

By a loss the interest of the insured becomes fixed; and he may make an equitable transfer of it

without the consent of the insurer. Of course such an interest is not transferable like a negotiable instrument. 3 Met. 69.

Nothing less than a conveyance in fee is deemed an alienation within the meaning of the usual provisions of the policy against transfers.

23. *Loss by Fault of Third Party — Right of the Insurers.*

If a loss be caused by the fault of a third person, and the insurers pay the damages, they are entitled to proceed against, and recover from such third person, in the name of the insured, for their benefit. 13 Met. 99.

24. *Notice — Requirements of the Policy — Waiver.*

The requirements of the policy as to notice must be substantially complied with, unless waived by the insurers. Such waiver may be made expressly or by implication, as by refusing to settle in any way, or assigning some other ground of refusal. The insurers may have full notice, through an agent who was present at or immediately after the fire, and in such a case, slight acts will amount to a waiver of formal notice. 2 Comst. 53; 9 Barb. 191; 6 Cush. 342.

25. *Partial Loss — Extent of Liability.*

Under marine policies, if the property be but partially insured, the insurer pays only *pro rata* in case of a loss, the same as he would do if the residue of the interest were insured in another company. Under fire policies, this is different, and in case of a partial insurance, the insurer pays the whole loss, to the amount of his insurance. 9 Met. 211.

26. *Liability Where Insurers Rebuild.*

If the insurers rebuild for less than the amount of their insurance, they remain insurers of the new building to the amount of the residue. 3 Cush. 263.

CHAPTER III.

LIFE INSURANCE.

1. GENERAL PRINCIPLES AND RULES OF CONSTRUCTION.
2. DEFINITION OF LIFE INSURANCE.
3. CONTRACT OF INSURANCE WITHOUT POLICY
4. THE KINDS OF LIFE INSURANCE — FOR LIFE — FOR YEARS
— CONTINGENT — SURVIVING — ENDOWMENT.
5. THE INTEREST NECESSARY TO SUPPORT A POLICY.
6. EXTINGUISHMENT OF THE INTEREST — EFFECT ON POLICY.
7. WARRANTY, REPRESENTATION, AND CONCEALMENT.
8. PAYMENT OF THE PREMIUM.
9. RETURN OF PREMIUM.
10. PROOF OF THE DECEASE — PRESUMPTION FROM ABSENCE.
11. DEATH BY SUICIDE, ETC.
12. THE ASSIGNMENT OF POLICIES OF LIFE INSURANCE.
13. POLICY AS COLLATERAL SECURITY — HOW DEBTOR BECOMES
ENTITLED TO.
14. THE PAYMENT OF INTEREST.
15. INSURANCE AGAINST ACCIDENTS, DISEASE, DISHONESTY,
ETC.
16. TABLE OF MORTALITY.
17. TABLE OF EXPECTATION.

1. *General Principles and Rules of Construction.*

The general principles which govern life insurance, are similar to, or identical with those which control marine and fire insurance. And the rules of construction that apply in the interpretation of the contract, are the same. Parsons' Merc. Law, 540.

2. *Definition of Life Insurance.*

Life insurance is a contract, by which one party, in consideration of a sum paid, or to be paid, agrees with another to pay the person for whose benefit the insurance is effected, a specified sum, on the death of the person whose life is insured, or on the happening of an event depending on such life. Reynolds' Life Ins. 21.

3. *Contract of Insurance without Policy.*

A policy is of great importance to prove the agreement of insurance, and show the date of its commencement, but it is not an essential requisite to its validity, and the insurer may be bound without its delivery. 9 Howard, 390; Reynolds' Life Ins. 64.

.. *The Kinds of Life Insurance — For Life — For Years — Contingent — Surviving — Endowment.*

1. Insurance for life; where the sum is to be paid absolutely on the death of the party.

2. Insurance for years; where the sum is payable in case the party dies within a determinate period.

3. Contingent insurance; where one life is insured against another, and the amount is payable in case one is alive at the decease of the other.

4. Survivorship insurance; where two or more lives are the subject of insurance, and the sum is to be paid to the survivor.

5. Endowment insurance; where the sum is payable at death, or when the party attains a specified age. Reynolds' Life Ins. 32.

5. *The Interest Necessary to Support a Policy.*

The person to whom the insurance is payable, must have an interest in the life which is insured. One may insure his own life for his legal representatives. A creditor may insure the life of a debtor — a sister the life of a brother on whom she depends for support — a wife the life of her husband. This rule applies not only to all kindred, but to other relations where there is dependence.

The life of a copartner who contributes to the enterprise by his skill; or of an agent who renders any peculiarly valuable personal service, may be insured by those who would be deprived of such skill and service by death. 1 Moody & Rob. 481; Peake's Ad. Cases, 70; 2 Duer, 429; Reynolds' Life Ins. 42.

An executor in trust has a sufficient interest to enable him to make an insurance in his own name, on the life of a person who has granted an annuity to the testator. Peake's Cases, 151.

Where one grants an annuity to another, depending on one or more lives, the grantee has an insurable interest in such life or lives. 1 Crompt. & Jer. 575.

6. *Extinguishment of the Interest—Effect on Policy.*

There is a conflict of authorities on this subject; but the better rule seems to be, that generally life insurance is not strictly a contract of indemnity, but a simple agreement to pay a sum certain, at an indefinite time, in consideration of the payment of the premiums provided for in the policy. Some writers think that the insurance of a debtor's life is, however, to be regarded as a contract of indemnity, and that upon the payment of the policy, the insurers would become subrogated to the rights of the creditor, to a like amount. 18

Jurist, No. 935; 19 Jurist, 178; 2 Duer, 419; 4 Hare, 434; Reynolds' Life Ins. 44, 54.

7. *Warranty, Representation, and Concealment.*

The general principles which govern warranty, representation, and concealment, are the same in life, as in fire and marine insurance. The following rules are given for the guidance of parties interested :

1. In answering questions, carefully distinguish between what is answered on *knowledge*, and what on *information*, or *belief*.

2. A direct assertion of a material fact, is understood to be a warranty of that fact.

3. Perfect good faith is required of both parties. The applicant must not be defrauded of his premiums, nor the insurer of his insurance.

4. The warranty of good health does not mean "perfect health," but reasonably good health. A disease that does not materially tend to shorten life, is not a breach of the warranty.

5. If an applicant have more than one physician, he should state the names of all.

6. If facts be erroneously but honestly misrepresented, and the insurers, when making the policy, know the truth, the error does not vitiate the policy.

7. The policy must conform to the proposal and

agreement therefor; and if a policy different therefrom in any material respect be inadvertently received by the applicant, he may have relief in equity.

8. The insurer should not be more nice than wise, and overdo the matter by too many hair-splitting questions.

9. The materiality of a fact misrepresented or concealed, is a question for the jury, not for the court.

10. The insured need not mention what the underwriter ought to know, nor what he takes upon himself the knowledge of, nor what he waives when mentioned. 6 C. & P. 1; 1 W. Black. 312; 4 Taunt. 763; 4 Bing. 60; 3 Burr. 1910; 4 East, 590; 12 E. L. & Eq. 171; Reynolds' Life Ins. 133, 136.

8. *Payment of the Premium.*

The risk may commence before the payment of the premium. The insurers may demand it before delivering the policy, if they will, but if they deliver it without first receiving the premium, it will be presumed that they gave credit for it, and they will be liable. If the policy contain a clause that it shall not take effect till payment be actually made, such a delivery might be held to be conditional, and dependent on making payment.

If the premium be not paid as provided in the policy, the contract may be forfeited according to its terms; but if the insurer subsequently receive the premium, this will waive the cause of forfeiture, and restore both parties to their original rights. Reynolds' Life Ins. 66.

9. *Return of Premium.*

On this subject the following rules seem to have been established:

1. If there be a provision of the policy concerning a return or forfeiture of premiums, this shall govern as far as applicable.

2. If there be no such provision, the case must be governed by general principles, and on a life policy the risk is always entire; and, by the general law of insurance, where the risk is entire, and has once commenced, there shall be no return of the premium.

3. Where the risk never commenced, whether its not having been run was owing to the fault, pleasure, or will of the insured, or to any other cause, the premium shall be returned. This rule applies where the policy is void for want of interest; and where there has been a misrepresentation or concealment without fraud on the part of the insured.

4. But though the policy may be void, from mis-

representation or concealment, and the insurer therefore never liable thereon, still if the insured has been guilty of fraud, he shall not have a return of the premium.

5. Where the insurers have been guilty of fraud, the premium shall be returned. Reynolds' Life Ins. 160; Cowp. 666; 11 East, 428; 4 Taunt. 640; 1 Camp. 401.

10. *Proof of the Decease — Presumption from Absence.*

Before the insurance can be recovered, it must be shown that the insured has in fact departed this life. The proof must be made according to the provisions of the policy, and where they do not apply, conformably to the general law. The burden of proof is, of course, on the claimant, and in case of a trial, he must satisfy the jury that the death has in fact occurred. It is probably a general rule, that if the party has not been heard from for seven successive years, there is a presumption of fact, that he is dead, and the jury may so find. 2 Stark. Ev. 457; 6 East, 85; 2 Camp. 113; 1 Barb. Ch. 455; 1 Met. 204; 10 Pick. 515; 4 Whart. 150; 1 Kelly, 538.

11. *Death by Suicide, etc.*

The exception of death by the hand of the insured, has given rise to considerable litigation. And, though there may be some conflict of authorities, the general rule is, that the insurers are not discharged, unless the death was caused by the sane intent and act of the insured. 4 Hill, 73; 5 Man. & Grang. 639; 4 Seld. 299.

12. *The Assignment of Policies of Life Insurance.*

Generally, an equitable assignment of a policy of life insurance may be made, which will give the assignee a right to receive the money when collected. But whether such an assignment will vest in the assignee a legal right to the insurance, so as to enable him to sue in his own name, must depend upon the statute of negotiable instruments, where the assignment is made. 3 Scam. 344, 385.

Any actual transfer, for a sufficient consideration, will constitute an equitable assignment. If the statute make the policy negotiable, it should be assigned like other negotiable paper. If the charter or rules of the company prescribe any formalities, they must of course be observed. Some authorities hold that the consent of the insurers is not necessary, unless such consent is made a condition of the policy. It seems that unless otherwise

specially provided, the fault of the insured will avoid the policy as to the assignee. 1 Hare, 390; 5 Adol. & El. 107; 3 Maryl. 341.

13. *Policy as Collateral Security—How Debtor becomes entitled to.*

When an insurance has been effected on the life of a debtor, as a security to the lender of the money, and the lender charges the premiums to the account of the debtor, and the debtor pays them, and afterwards pays the principal, he or his representative is entitled to the policy. Reynolds' Life Ins. 176.

14. *The Payment of Interest.*

Whether interest is collectable on the amount of the policy, from the time the principal is payable, till the time when payment shall actually be made, must be determined by the law of the place where the contract is to be performed. There are conflicting authorities, but this is the general rule. Story's Confl. Laws, sec. 291.

15. *Insurance against Accidents, Disease, Dishonesty, etc.*

Under the same general principles and rules, there may be insurance against accidents, disease,

the dishonesty of servants, agents and employes. In all such cases the nature of the thing to be insured against, will in some degree modify the details of the contract. Parsons' Merc. Law, 561.

This branch of insurance has not been sufficiently developed to furnish material for a separate chapter.

16. TABLE OF MORTALITY.

Showing the number of persons living at the end of every year, out of 1000 born at the same time, as calculated by the different authors for the several places stated.

Age.	Breslau, by Dr. Halley.	Sweden, by Dr. Wagentine.	Northampton, by Dr. Price.	Carlisle, by Dr. Heysham.	Age.	Breslau, by Dr. Halley.	Sweden, by Dr. Wagentine.	Northampton, by Dr. Price.	Carlisle, by Dr. Heysham.
1	1000	1000	1000	1000	52	250	367	231	428
2	769	780	743	846	53	241	358	224	427
3	658	780	625	778	54	233	349	217	411
4	614	695	582	727	55	224	340	210	404
5	585	671	559	700	56	216	331	203	400
6	568	656	536	680	57	209	323	196	392
7	546	644	521	663	58	201	312	189	384
8	532	634	509	659	59	193	303	182	375
9	523	625	499	654	60	186	293	175	364
10	515	618	492	649	61	178	282	168	352
11	508	611	487	646	62	170	271	161	340
12	502	606	483	643	63	163	259	154	327
13	497	602	478	640	64	155	247	147	314
14	492	597	474	637	65	147	235	140	303
15	488	594	470	633	66	140	224	133	289
16	483	590	465	630	67	132	212	126	277
17	479	586	461	626	68	124	200	119	265
18	474	582	457	622	69	117	187	113	252
19	470	578	452	618	70	109	175	106	240
20	465	574	446	613	71	101	162	99	228
21	461	570	441	609	72	93	149	92	214
22	456	565	434	605	73	84	135	85	200
23	451	560	428	600	74	77	121	78	184
24	446	555	421	596	75	69	108	71	167
25	441	551	415	592	76	61	96	65	151
26	436	546	409	588	77	53	85	58	136
27	431	541	402	584	78	45	74	52	121
28	426	535	396	579	79	38	65	46	108
29	421	530	389	575	80	32	56	40	95
30	415	525	383	570	81	26	47	35	84
31	409	519	376	564	82	22	38	30	73
32	403	513	370	558	83	18	31	25	62
33	397	507	364	553	84	15	24	20	53
34	391	501	357	547	85	12	19	16	44
35	384	495	351	542	86	9	14	12	37
36	377	488	344	536	87	6	11	9	30
37	370	483	338	531	88	4	8	7	23
38	363	477	331	525	89	2	6	5	16
39	356	471	325	519	90	1	5	4	14
40	349	465	318	514	91		3	3	10
41	342	459	312	507	92		2	2	7
42	335	453	305	501	93		1	1	5
43	328	445	299	494	94				4
44	321	437	292	487	95				3
45	314	430	285	480	96				2
46	307	422	279	473	97				1
47	299	414	273	466	98				1
48	291	407	265	459	99				1
49	283	400	259	452	100				1
50	275	393	252	446	101				1
51	267	385	245	440	102				
	259	376	238	434					

17. TABLE OF EXPECTATION.

Showing the expectation or mean duration of life, at every age, according to the Carlisle and Northampton tables.

Completed Age.	Carlisle Experience.	Northampton Experience.	Completed Age.	Carlisle Experience.	Northampton Experience.
0	88.72	25.18	40	27.61	23.08
1	44.68	32.74	41	26.97	22.56
2	47.55	37.79	42	26.34	22.04
3	49.32	39.55	43	25.71	21.54
4	50.76	40.53	44	25.09	21.08
5	51.25	40.84	45	24.46	20.52
6	51.17	41.07	46	23.82	20.02
7	50.30	41.08	47	23.17	19.51
8	50.24	40.79	48	22.50	19.00
9	49.57	40.86	49	21.81	18.49
10	48.82	39.78	50	21.11	17.99
11	48.04	39.14	51	20.39	17.50
12	47.27	38.49	52	19.68	17.02
13	46.51	37.83	53	18.97	16.54
14	45.75	37.17	54	18.28	16.06
15	45.00	36.51	55	17.58	15.58
16	44.27	35.85	56	16.89	15.10
17	43.57	35.20	57	16.21	14.63
18	42.89	34.58	58	15.55	14.15
19	42.17	33.99	59	14.92	13.68
20	41.46	33.43	60	14.34	13.21
21	40.75	32.90	61	13.82	12.75
22	40.04	32.39	62	13.31	12.28
23	39.31	31.88	63	12.81	11.81
24	38.59	31.36	64	12.30	11.35
25	37.86	30.85	65	11.79	10.88
26	37.14	30.33	66	11.27	10.42
27	36.41	29.82	67	10.75	9.96
28	35.69	29.30	68	10.23	9.50
29	35.00	28.79	69	9.70	9.05
30	34.34	28.27	70	9.18	8.60
31	33.68	27.76	71	8.65	8.17
32	33.03	27.24	72	8.16	7.74
33	32.36	26.72	73	7.72	7.32
34	31.68	26.20	74	7.33	6.92
35	31.00	25.68	75	7.01	6.54
36	30.32	25.16	76	6.69	6.18
37	29.64	24.64	77	6.40	5.83
38	28.96	24.12	78	6.12	5.48
39	28.28	23.60	79	5.80	5.11
			80	5.51	4.75

CHAPTER IV.

INSURANCE AGENTS.

1. AGENT, HOW APPOINTED.
2. SAME AGENT MAY ACT FOR BOTH PARTIES.
3. SUB-AGENT — DELEGATION OF AUTHORITY.
4. AGENTS TO PROCURE INSURANCE — SCOPE OF BUSINESS.
5. AGENTS TO MAKE INSURANCE — SCOPE OF BUSINESS.
6. QUALIFICATIONS AND LIABILITY OF AGENTS.
7. RULES FOR THE GUIDANCE OF AGENTS.
8. THE LIABILITY OF PRINCIPALS FOR THE ACTS OF THEIR AGENTS.
9. USAGE — HOW AGENCY AFFECTED BY.
10. PRELIMINARY PROOFS OF LOSS.
11. CHANGING OR DISCONTINUING AN AGENCY.

1. *Agent, How Appointed.*

Generally, an agent may be appointed, either expressly or by implication; orally or by writing; by words or by acts; or he may assume to act without authority, taking the risk of procuring a ratification of his doings by his principal. Story on Agency, sec. 45.

2. *Same Agent may Act for both Parties.*

The same person may be the agent of the insurer, to make the application and procure the insurance, and of the insurer to issue the policy and receive the premium. 2 Bing. N. C. 156; Phillips on Ins., sec. 1850.

3. *Sub-Agent — Delegation of Authority.*

An agent may employ a sub-agent to assist him; but he cannot, without the consent of his principal, delegate his authority, and substitute the judgment, discretion, and qualifications of another person for his own. 3 Camp. 472.

4. *Agents to Procure Insurance — Scope of Business.*

The business of an agent to procure insurance, generally includes making applications, making representations, paying premiums, receiving policies, contracting for the same, altering and canceling policies, making abandonments, settling losses and returns of premium, and the like. Special circumstances may either enlarge or diminish these general powers. Phillips on Ins., sec. 1878.

5. *Agents to make Insurance — Scope of Business.*

The general business of agents for insurance companies, to make insurances, includes the following: To solicit applications, make surveys or examinations of the subjects proposed for insurance, subscribe or deliver policies, receive notice of other insurances, and of compliance with stipulations, receive premiums, adjust losses and returns of premium, make payments, and the like. Ibid.

6. *Qualifications and Liability of Agents.*

The following rules are drawn from the general law of agency:

1. The agent must have some degree of qualification for the business he undertakes; unless the principal knows his want of qualification, and engages him notwithstanding. The true rule is, that as the contract of agency is for the benefit of both parties, the agent is understood to contract for reasonable skill, and ordinary diligence. Story on Agency, sec. 183.

2. An agent is, in general, liable personally to his principal, for loss or damage resulting from his misconduct, negligence, want of ordinary skill, or fraud. Ibid. c. viii.

3. An agent is liable personally to third persons, for his own misfeasances and positive wrongs,

but he is not, in general, for there are exceptions, liable to third persons for his own non-feasances or omissions of duty in the course of his employment. The liability in such cases is of the agent to the principal, and of the principal to third persons. Ibid. sec. 308.

4. An agent must not so deal with the affairs of his principal, as to benefit himself, to the detriment of his principal. If he improperly deal with his principal's funds, and there be losses, he must bear them himself, while, if there be profits, his principal may claim them. 3 Gilm. 529.

7. *Rules for the Guidance of Agents.*

1. Study carefully every provision of the charter, rules, regulations, policy, conditions, applications, notices, etc., relating to the business given you in charge. And remember that such is the imperfection of language, such the subtlety of thought, such the intricacy of circumstances, that however diligent and long may be your service, something will always remain to be learned. Remember, that on almost any provision of any one of the papers you use, questions may arise which will require the utmost skill and learning of lawyers and judges for their solution. Be strong in the performance of your duties, humble

in your pretensions to knowledge, and faithful to all with whom you do business.

2. When your principal has given you specific instructions, and wherever a particular course is required by the charter, rules, or policy, pursue that course without deviation. Remember that you have nothing to do with the wisdom or folly of the matter. Your opinions are not asked, and the only responsibility resting on you, is that of a private soldier, to obey orders, and leave the consequences to your superiors.

3. In cases where your course is not clear, where your instructions do not apply, and for which no specific provision has been made, govern your course by the following considerations :

a. What course will be just and equal to all the parties concerned ?

b. What course will best promote the prosperity and good name of the company you represent ?

c. What course you would wish to have taken, if you were an absent principal, instead of a present agent.

d. Whether by yielding a little matter, or making a small sacrifice, you will not really promote the best interests of your company.

Then, if it be practicable, communicate the facts, and your view to your principal, and request in-

structions; unless you feel confident that the delay and trouble of such communication are quite unnecessary.

When you act in a doubtful case, conform your proceedings to the general course pursued in matters of a similar nature.

4. Execute papers in the name of your principal by yourself, unless otherwise specially instructed, and sign no paper under seal without you have an authority under seal to execute it. And in all papers executed by you, let it appear distinctly, that the principal is acting by you, not merely that you are acting about the business of the principal. This is the safe rule.

8. *The Liability of Principals for the Acts of their Agents.*

In general, the principal is liable to third persons for all the doings of the agent *within the scope of his agency*, whether they be according to the private instructions given to the agent or not.

The principal is also, in general, liable to third persons for the misfeasances, negligences and torts—the frauds, deceits, concealments, misrepresentations, negligences and wrongs of his agent in the course of his employment, though the principal did not authorize, justify, participate in, or know of the same, and even if he forbade them.

For the principal put the agent in the place; he maintains him there; he takes the profit of his doings; and he calls on the community to patronize and trust him. Therefore, the principal must answer to third persons, and seek his reimbursement from the agent. Story on Agency, sec. 452, *et seq.*

The Supreme Court of the United States, even held a railroad company liable for libel; and the Supreme Court of Pennsylvania made a similar decision in a case of assault. 21 Howard, 202; 42 Pa. State, 365.

But the principal is not liable for wrongs committed by the agent not within the scope of the business of his agency. *Ibid.*

9. *Usage—How Agency affected by.*

The established usages of a particular trade or business, or of a particular class of agents, may be resorted to, not for the purpose of enlarging the powers of the agents employed therein, but for the purpose of properly interpreting the powers actually given, and of determining the proper mode of executing them. Story on Agency, sec. 77.

10. *Preliminary Proofs of Loss.*

Where a loss is alleged, it is the duty of the agent to point out clearly, and to require distinctly,

what the conditions of the policy specify in such cases. If he fail to do this, he may waive important rights, and fix a questionable liability against his company. 18 Ill. 553 ; 26 Ill. 360.

In making preliminary proofs, the policy and its conditions should be taken by both parties as a guide, and followed with fidelity. If the case go into court, the rules administered by judicial tribunals will be applied to it by lawyers and judges who will scrutinize the doings of both parties with vigilance, and hold them responsible according to both their omissions and their acts.

11. *Changing or Discontinuing an Agency.*

When an agency is changed or discontinued, the following precautions should be taken by the insurer, or insurance company :

1. The agent's name should be removed from the place of business.

2. Notice should be given to the parties with whom he has done business, informing them of the change.

3. A general notice should be given to the public.

For, until those with whom the agent has done business have notice, they may continue to deal with the agent as the representative of the company.

CHAPTER V.

—
WHERE THE SUBJECT OF INSURANCE IS MORE
FULLY TREATED.
—

1. PHILLIPS ON INSURANCE.
2. MARSHALL ON INSURANCE.
3. PARK ON INSURANCE.
4. WESKETT ON INSURANCE.
5. DUER ON MARINE INSURANCE.
6. ANGELL ON FIRE AND LIFE INSURANCE.
7. ELLIS ON FIRE AND LIFE INSURANCE.
8. PARSONS' MERCANTILE LAW.
9. MISCELLANEOUS BOOKS.

The following tables of the contents of some of the principal treatises on the Law of Insurance, will sufficiently show, not only where more extended discussions of the subject may be found, but also something of the mode in which it is treated by leading authors:

1. PHILLIPS ON INSURANCE.

A TREATISE ON THE LAW OF INSURANCE, by Willard Phillips. In two volumes. Boston: Little, Brown & Co.

CONTENTS.

CHAPTER

1. Of the contract of insurance.
2. Who may be insured.
3. Insurable interests.
4. The parties to an insurance — description of the insured.
5. Description of the subject-matter of the contract.
6. Of the premium.
7. Representation and concealment.
8. Implied warranties, conditions and stipulations.
9. Express warranties, conditions and stipulations.
10. What risks may be insured against.
11. The voyage — duration of the risk.
12. Deviation and change of risk.
13. Risks covered.
14. Amount of insurable interest.
15. General average.
16. Particular average, and partial loss.
17. Total loss and abandonment.
18. Excepted losses — the memorandum.

19. Set-off and deductions in adjustments.
20. Preliminary proof.
21. Adjustment of a claim for a loss.
22. Return of premium.
23. Insurance agents — their appointment, powers, rights, and liabilities.
24. Jurisdiction.
25. Provinces of the court and the jury.
26. Form of action — parties — right of action.
27. The declaration in insurance cases.
28. The subsequent pleadings.
29. The evidence.

2. MARSHALL ON INSURANCE.

A TREATISE ON THE LAW OF INSURANCE, in four books: 1st, Of Marine Insurance; 2nd, Of Bottomry and Respondentia; 3rd, Of Insurance upon Lives; 4th, Of Insurance against Fire. By Samuel Marshall, Serjeant at Law. In two volumes. London, etc.

CONTENTS.

Book First. Of Marine Insurance.

CHAPTER

1. Preliminary discourse.
2. Of the parties to the contract.
3. Of the subject-matter.
4. Of the interest of the insured.
5. Of the ship.
6. Of the voyage.

7. Of the risks or perils insured against.
8. Of the policy.
9. Of warranties.
10. Of representations.
11. Of concealment.
12. Of loss.
13. Of abandonment.
14. Of the adjustment of losses.
15. Of return of premium.
16. Of the proceedings in actions upon policies.

Book Second. Of Respondentia.

CHAPTER

1. Nature and form of the contract.
2. The parties to it.
3. The thing hypothecated.
4. Principal and marine interest.
5. Perils to which the lender is liable.
6. Whether he is liable to general average.
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Book Third. Of Insurance upon Lives.

CHAPTER

1. Nature of this contract.
2. Warranty of age and health.
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Book Fourth. Of Insurance against Fire.

CHAPTER

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2. Interest of the insured.
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4. Assignment of the policy.
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3. PARK ON INSURANCE.

A SYSTEM OF THE LAW OF MARINE INSURANCE: with three chapters on Bottomry; on Insurances on Lives, and on Insurances against Fire. By James Allan Park, of Lincoln's Inn, Esq., Barrister at Law. London, Boston, etc., etc.

CONTENTS.

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2. Of the construction of the policy.
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6. Of partial losses and adjustments.
7. Of general or gross average.
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9. Of abandonment.
10. Of fraud in policies.
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12. Of illegal voyages.
 13. Of prohibited goods.
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 15. Of re-insurance, and double insurance.
 16. Of changing the ship.
 17. Of deviation.
 18. Of non-compliance with warranties.
 19. Of return of premium.
 20. Of the proceedings upon policies of insurance.
 21. Of bottomry and respondentia.
 22. Of insurances upon lives.
 23. Of insurances against fire.
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4. WESKETT ON INSURANCE.

A COMPLETE DIGEST OF THE THEORY, LAWS AND PRACTICE OF INSURANCE, compiled from the best authorities, in different languages, which are quoted and referred to throughout the work, and arranged in alphabetical order, under many select heads, with ample references, and a general index, affording immediate and full information on every distinct matter, question or point; containing:

CONTENTS.

CHAPTER

1. The principles, doctrines and usages, touching all matters of insurance.
2. All the cases of insurance that have been adjudged in our [English] courts of law, and equity, etc., to 1781.

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3. Extracts from all the statutes relating to insurance, etc.
 4. The most useful articles of the foreign ordinances and regulations upon this subject.
 5. Extracts from treaties of commerce, etc., with regard to freedom of navigation, contraband, neutral ships, and property, war, etc.
 6. The respective rights and duties of insurers, insured, brokers, agents, owners, freighters, masters of ships, etc., as relative to matters of insurance.
 7. The nature, object, and select forms of policies of insurance, bottomry and respondentia bonds—the true construction and operation of their several terms and clauses; with cautions and remarks, concerning written clauses.
 8. Rules interspersed throughout, for guarding against, and detecting, fraud and imposition.
 9. The curious question discussed, with regard to the advantage, disadvantage, and legality of insuring the ships and property of enemies, with new and interesting observations thereon.
 10. Accounts of the several companies and societies in England for insurance, their plans, terms, etc., also of the chambers of commerce abroad, etc.

11. Concerning the maritime and other courts — the maritime laws — the law of nations — the laws of England — the *lex mercatoria* — also, trials, verdicts, and arbitrations, with regard to insurance.
12. Various new matters, rules, cases, methods, and remarks, not in any other book ; with a preliminary discourse, etc., by John Weskett, merchant, London.

5. DUER ON MARINE INSURANCE.

THE LAW AND PRACTICE OF MARINE INSURANCE, deduced from a critical examination of the adjudged cases, the nature and analogies of the subject, and the general usage of commercial nations. By John Duer, LL.D., one of the late revisers of the statute laws of New York. 2 vols. Voorhies, New York.

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- I. Introductory discourse.
- II. Continuation of same subject.

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1. Of the form and execution of the policy.
2. Of the construction of the policy.
3. Illegal insurances — breach of municipal laws.
4. Illegal insurances — enemy's property.
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6. Illegal insurances — trade with the enemy — construction of licenses.

7. Illegal insurances — contraband of war — breach of blockade.
8. Illegal insurances — breach of neutrality.
9. Of the parties to the contract.
10. Of insurances effected by an agent.
11. Of the duties and liabilities of agents.
12. Of the rights of the agent.
13. Of concealment.
14. Of representations.



6. ANGELL ON FIRE AND LIFE INSURANCE.

A TREATISE ON THE LAW OF FIRE AND LIFE INSURANCE, WITH AN APPENDIX CONTAINING FORMS, TABLES, ETC. By Joseph K. Angell. Boston: Little, Brown & Co.

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PRELIMINARY VIEW OF THE CONTRACT OF INSURANCE.

Fire Insurance.

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1. Origin, history and importance of fire insurance.
2. General nature of a policy of fire insurance.
3. Of the consummation and duration of the contract of fire insurance.
4. Of the interest of the insured.
5. The extent and nature of the insurer's risk.
6. Of warranty and representation.

7. Concealment.
8. Misrepresentation and concealment of the interest of the insured.
9. Alienation of the property insured, and assignment of the policy.
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13. Death by the hands of justice, and by suicide.
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15. Of life insurance in regard to warranty, representation, and concealment.
16. Of assignment of policies of insurance upon life.
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19. Of the proceedings in equity on policies of fire and life insurance, and attachment of equities.

20. Return of premium, and recovery back of losses improperly paid.
21. Of the constitution of insurance companies —and of premium notes.
22. Of the contract of insurance, in connection with other contracts and obligations.
23. Agency—appendix of forms, etc.

7. ELLIS ON FIRE AND LIFE INSURANCE.

THE LAW OF FIRE AND LIFE INSURANCE, WITH PRACTICAL OBSERVATIONS. By Charles Ellis, Esq., of Lincoln's Inn, Barrister at Law. Shaw's edition. Burlington: Chauncey Goodrich.

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3. Of the interest of the life insured.
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5. Of assignments of policies of insurance upon lives.
6. Of the attachment of equities to policies of insurance on life, in favor of third persons.
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9. Of proofs in respect of policies or premiums in case of bankruptcy.
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8. PARSONS' MERCANTILE LAW.

THE ELEMENTS OF MERCANTILE LAW. By Theophilus Parsons, LL. D., Dane Professor of law in Harvard University at Cambridge. Boston: Little, Brown & Co.

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Of Marine Insurance.

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6. Of warranty, representation and concealment.
7. Insurance against disease, and against dishonesty of servants.

9. MISCELLANEOUS BOOKS.

Angell and Ames on Corporations, secs. 156 *et seq.*; 259 *et seq.*; 269, 279, 291, 360, 702.

Bouvier's Institutes, vol. 1, 477 *et seq.*

Burrill on Assignments, 72, 223.

Chitty on Pleading, vol. 1, 36 *et seq.*; 101 *et seq.*; 391 *et seq.*; 506, 517, 739 *et seq.* Vol. 2, 99 *et seq.*; 178 *et seq.*; 536, 541. Vol. 3, 1009 *et seq.*

Hilliard on Mortgages, vol. 1, 255, 469, 563.

Hilliard on Sales, 262, 433.

Humphrey's Precedents, vol. 1, 649, 660 *et seq.*; 687, 717, 721.

Kent's Commentaries, vol. 3, 253 *et seq.*

Phillips on Evidence, vol. 1, 47 *et seq.*; 63, 92, 104, 513 *et seq.*; 556 *et seq.* Vol. 2, 35 *et seq.*

Sedgwick on the Measure of Damages, 32, 46, 251 *et seq.*

Story on Agency, secs. 109, 111, 161, 190, 272, 394.

Wentworth's Pleading, vol. 1, 389 *et seq.*; 411 *et seq.* Vol. 2, 378 *et seq.* Vol. 7, 38.

Willard's Equity Jurisprudence, 167. ●

CHAPTER VI.

FORMS FOR MARINE INSURANCE.

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4. HULL OR VESSEL POLICY.
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6. ANOTHER FORM OF COMMON APPLICATION.
7. ANOTHER FORM OF CARGO POLICY.
8. COMMON APPLICATION FOR HULL POLICY.
9. ANOTHER FORM OF HULL OR VESSEL POLICY.

It is impracticable, in a condensed treatise, to give every variety of form used by insurance companies, but the following will be sufficient for most practical purposes. They have been obtained from prominent insurance agents, and are such as have been used for many years by leading companies. They have, therefore, a practical value, which no untried forms can possess.

Most of the analytical headings inserted in the forms, have been added by the author, and their general adoption is recommended.

1. *Common Application for Cargo Policy.*

To the Insurance Company of

. . . ., *Agents.*, 186..

Insurance is wanted on account of Loss, if any,
payable to On Bush., @ On
Bbls., @ In-Board of From To
. . . . Time of Shipment, Amount, \$ Rate
per cent., Amount Premium, \$ Number of
Policy, Applicant,

The form of a binding application for such a policy, would be substantially like the binding application for a vessel policy, which is given below.

2. *Common Form of Cargo Policy.*

(*Cargo.*)

(*No. . . .*)

BY THE INSURANCE COMPANY.

To, on account of In the sum of
Dollars. In case of loss to be paid to

[*Lost or not lost; voyage endorsed; laden or to be laden; boat or railroad; approval.*] Said Company do make insurance, and cause to be insured, lost or not lost, at and from ports and places to ports and places as hereon endorsed, upon all kinds of lawful goods, wares, merchandise and produce, laden or to be laden on board the good vessel or vessels, boat or boats, railroad, or carriage, as hereon endorsed. But no risk will be considered as insured

under this policy, until approved and made binding by endorsement hereon, or by "contract proposition" in the prescribed form, and subsequent endorsement hereon (on receipt of the invoice or advice of shipment by the insured,) by this Company or their authorized Agent at

[*Term of risk.*] Beginning the adventure upon the said property from and immediately following the loading thereof at the port or place named in the endorsement, and so shall continue and endure until the same shall arrive and be safely landed at the port of destination.

[*Perils insured against.*] Touching the adventures and perils which the said Insurance Company is contented to bear and take upon itself, they are of the lakes, rivers, canals, railroads, fires, jettisons, and all other perils and misfortunes that have or shall come to the hurt, detriment or damage of the said property, or any part thereof.

[*Saving in case of loss.*] And in case of any loss or misfortune, it shall be lawful and necessary to and for the insured, or insurer, their agents, factors, servants, and assigns, to sue, labor, and travel for, in and about the defense, safeguard, and recovery of the said goods and merchandise, or any part thereof, without prejudice to this insurance; nor shall the acts of the insured or insurers, in recovering, saving and preserving the property insured, in case of disaster, be considered a waiver or an acceptance of abandonment, nor as affirming or denying any liability under this policy, but such acts shall be considered as done for the benefit of all concerned, without prejudice to the rights of either party.

[*Contribution to charges.*] To the charges whereof the said Company will contribute in such proportion as the sum herein insured bears to the whole value of the property so insured.

[*Premium endorsement.*] The premium on risks to be fixed at the time of endorsement; and such clauses as the Company may insert, to apply as the risks are successively reported and endorsed hereon.

[*Excepted articles.*] Moneys and Bullion, Promissory Notes, and other evidences of debt, Books of Account, Written Securities, Deeds, or other evidences of title to property of any kind, are not covered by this policy, unless expressly defined as so insured.

[*Proof of loss and interest, time of payment.*] And in case of loss, such loss to be paid in thirty days after proof of loss, and proof of interest in the said property, are furnished this Company.

[*Prior insurance.*] Provided always, and it is hereby further agreed, that if the said insured shall have made any other insurance upon the property aforesaid, prior in date to this policy, then the said . . . Insurance Company shall be answerable only for so much as the amount of such prior insurance may be deficient toward fully covering the property hereby insured.

[*Return of premium.*] And the said . . . Insurance Company shall return the premium upon so much of the sum by them insured, as they shall be by such prior insurance exonerated from.

[*Subsequent insurance.*] And in case of any insurance

upon the said property, subsequent in date to this policy, the said Insurance Company shall nevertheless be answerable for the full extent of the sum by them subscribed hereto, without right to claim contribution from such subsequent insurers, and shall accordingly be entitled to retain the premium by them received, in the same manner as if no such subsequent insurance had been made.

[*Notice of loss, etc.*] And in case of loss or damage to property hereby insured, this Company, their agent or representative, at or nearest the first port of discharge, shall have prompt notice of same, and shall have every opportunity and facility for ascertaining the cause, extent and amount of damage, by personal inspection, appraisal or sale of the damaged property.

[*Prohibited trade.*] It is also agreed, that the property be warranted by the insured free from any charge, damage or loss, which may arise in consequence of a seizure or detention, for or on account of any illicit or prohibited trade, or any trade in articles contraband of war.

[*Limitation of action.*] It is furthermore hereby expressly provided, that no suit or action against this Company, for the recovery of any claim for loss or damage upon, under, or by virtue of this policy, shall be sustained in any court of law or equity, unless such suit or action shall be commenced within the term of twelve months next after the loss or damage shall occur; and in case any such suit or action shall be commenced after the expiration of twelve months next after such loss or damage shall have occurred, the lapse of time shall be taken and deemed as

conclusive evidence and a conclusive defense against the validity of the claim thereby so attempted to be enforced.

[*Transfer to insurers.*] It is also agreed and understood, that in case of loss or damage under this policy, the insured, in accepting payment therefor, hereby and by that act assigns and transfers all his or their right to claim for loss or damage, as against the carrier, or other person or persons, to this Company, to inure to their benefit, however, to the extent only of the amount of the loss or damage and attendant expenses of recovery, paid or incurred by the said Insurance Company; and any act of the insured, waiving or transferring, or tending to defeat or decrease any such claim against the carrier, or such other person or persons, whether before or after the insurance was made under this policy, shall be a cancellation of the liability of this Company for or on account of the risk insured for which loss is claimed.

[*Access to books and papers.*] And it is understood and agreed, that this Company or their agent shall have free access at all reasonable hours to the books, accounts, instructions and correspondence of the insured, containing statements of, or which relate to shipments and receipts covered by this policy.

[*Policy may be declared void.*] And this policy may be declared void by either party, on giving a written notice to that effect to the other party, but without prejudice to any shipment or liability made or incurred prior to the service of such notice.

[*Deck cargoes.*] It is understood that property covered by this policy on lake vessels shall be "under deck," unless

otherwise specified and charged for *additionally* in the endorsement hereon; and such "deck cargoes" are insured against total loss of packages only; the minimum rates of such loss, to make a claim, shall be ten per cent., except salt, which shall be twenty per cent. of the whole number of packages insured "on deck;" and in all cases, "on deck" risks to be free from damage by wet, breakage, leakage or exposure.

[*Special warranty.*] Warranted by the insured free from damage or injury, from dampness or frost, heating, sweating, steaming, change of flavor, or being spotted, discolored, musty or mouldy, and to be free from liability for leakage on molasses or other liquids, except caused by actual water contact with the article damaged, occasioned by the perils of navigation.

[*Usages and regulations.*] This policy is subject to the usages and regulations of the ports of,, or, in all matters of adjustment and settlement of losses and averages not herein otherwise clearly specified and provided for, as "stated" by a competent disinterested adjuster of marine losses, to be designated by the insurers.

[*Execution of policy.*] In Witness Whereof, The President or Vice President of the said Insurance Company hath hereunto subscribed his name, and caused the same to be attested by their Secretary.

[*Countersigning.*] But this policy shall not be valid, until countersigned by, Agent at, President., Secretary. Countersigned at, this, 18.. . . ., Agent.

[*Additional insurance endorsement.*] Additional \$

During the great rebellion, the following provision was printed in the margin of the foregoing policy :

[*Rebellion provision.*] Warranted, by the insured, free from any claim for loss or damage arising from seizure, detention, or the consequences of any hostile act of the United States Government; or of the people of any Seceding or revolting State of this Union, or from the acts of parties sympathizing with or acting for or with such States or the inhabitants thereof; and also from any loss or damage from piracy or letter of marque, or the acts of any government hostile to the United States.

INSURANCE IS DECLARED ON THE FOLLOWING.

[*Endorsement of risk under policy.*] Cargo Policy No. Agency at Date, 186.. On account of Vessel, routes, etc., From To Property insured—brands, marks, etc., Amount insured, Rate and rebate, Net premium, No. of Certificate, Agents' signatures of approval

3. *Binding Application for Vessel Policy.*

[*Binding Application. No.....*] Insurance is wanted in the Insurance Company of

For account of Loss, if total, payable to

On the Registered Custom House tonnage, (old style,) class Each passage from port to port subject to its own average; warranted by the insured free

from particular average under per cent. For,
 to wit: from noon of the day of, 18.., until
 noon of the day of, 18.. Lake and trade to
 be employed in, for \$...., at per cent.; less
 per cent. off, is \$.... Premium, \$.... Policy,
 \$.... Net amount of premium and fee, \$.... Vessel
 valued at \$.... Insurance limited to \$....

Proposed note for premium at .. months, given by
, of, endorsed by, of, payable
 at

This application to be considered binding until rejected,
 and due notice given the applicant; or approved, and the
 contract of insurance perfected by the issue of the Com-
 pany's Policy, at, by, General Agent of the
 Insurance Company., Applicant.,
 Agent. 186.. To, General Agent,

4. *Hull or Vessel Policy.*

FORM OF A UNIFORM LAKE HULL POLICY

Authorized by Convention of Lake Underwriters at Buffalo, June 16th, 1864.

Vessel. No.

[*Sum insured, \$....; vessel and term.*] The
 Insurance Company of, on account of
 Do make insurance, and cause dollars to be insured
 upon the body, tackle, apparel and other furniture
 of the, called the, from noon of the
 day of, 186.., (the said vessel being warranted by the
 insured to be then in safety,) to noon of the day of

...., 186.., unless sooner terminated or made void by conditions hereinafter expressed.

[*Warranty of voyage.*] Warranted by the insured to be employed exclusively in the freighting and passenger business, and to navigate only the waters, bays, harbors, rivers, canals and other tributaries of Lakes Superior, Michigan, Huron, St. Clair, Erie, and Ontario, and river St. Lawrence to Quebec, usually navigated by vessels of her class, during the portion of the life of this policy, between noon of April 1st and noon of November 30th; and between noon of November 30th and noon of April 1st ensuing, said vessel shall be laid up and safely moored, satisfactory to this Company.

[*Vessel valued at \$....*] The said vessel, tackle, apparel, and other furniture are valued at dollars, without any further account to be given by the insured to the insurers, for the same.

[*Dangers insured against.*] Touching the adventures and perils which the said Insurance Company is content to bear and take upon itself by this policy, they are of the lakes, rivers, canals, fires, jettisons, that shall come to the damage of the said vessel, or any part thereof.

[*Perils excepted.*] Excepting all perils, losses, misfortunes, or expenses consequent upon, and arising from or caused by the following or other legally excluded causes, viz., damage that may be done by the vessel hereby insured, to any other vessel or property. Incompetency of the master or insufficiency of the crew, or want of ordinary care and skill in navigating said vessel, and in loading, stowing and securing the cargo of said vessel. Rottenness, inherent defects, overloading, and all other unseaworthiness. Theft,

barratry or robbery. Charges, damage or loss in consequence of a seizure or detention, for or on account of any illicit or prohibited trade, or any trade in articles contraband of war. Any claim for wages or provisions furnished to officers or crew, while the property insured may be detained by any disaster, or during subsequent repairs, excepting, always, services rendered in protecting, recovering and securing the vessel or property covered by this policy. Anchors being cast without being properly or sufficiently buoyed. Gangways and openings through the deck being improperly or insecurely secured or protected.

[*Policy fee, \$.... ; rate, per cent. ; premium, \$.... ; particular average, per cent.*] The insurers hereby acknowledge the receipt of note., at months, from, for the amount of the consideration of this insurance; which, at the rate of per cent. on \$...., is \$.... Less per cent. off, is \$.... Policy, \$.... Total amount of note., \$....

[*Notice of loss; saving property.*] In case of loss or misfortune, it shall be lawful and necessary to and for the insured, agents, factors, servants and assigns, to give the insurers prompt notice of the disaster, and submit the plan adopted for recovering and saving the property; and to make all reasonable exertions, in and about the defense, safeguard and recovery of the said vessel, or any part thereof, without prejudice to this insurance; and after recovery and the holding of a survey, by persons chosen by the insurers and insured, or their agents, made under oath, setting forth the particulars of actual damage received by the vessel in the disaster, and discrim-

inating between those and former defects, and wear and tear, the insured are to cause the same to be forthwith repaired, in accordance with the surveyors' specifications.

[*Interposition of insurers ; lien on vessel.*] And in case of neglect or refusal on the part of the insured, agents or assigns, to adopt prompt and efficient measures for the safeguard and recovery thereof, or to repair the same when recovered, then the said insurers may and are hereby authorized to interpose and recover the said vessel, or after recovery to cause the same to be repaired, or both, for account of the insured ; to the expenditures and amount whereof the said Insurance Company will contribute according to the proportion the sum insured bears to the valuation aforesaid, and the surplus, (if any,) paid or incurred by said insurers, (with the premium note if unpaid,) shall be a lien upon and shall be recoverable against the said vessel, tackle, apparel and other furniture, or any part thereof, or against the insured, at the option of the insurers ; but in case this insurance shall be against total loss only, and no claim for same be sustained, then the whole of such expenditures and amount paid or incurred by said insurers shall be a lien, and recoverable as aforesaid.

[*One-third new for old.*] And in all cases of loss or damage, one-third new for old, shall be deducted from the amount of actual cost of repairs or estimate for same, (except on anchors,) and no partial loss, or particular average, shall in any case be paid by the insurer, unless the amount of the whole of such damage or loss (after deducting one-third new for old,) equals or exceeds per cent of the valuation aforesaid.

[*Each passage separate average.*] Each passage, from port to port, shall be subject to its own separate average.

[*Boiler Clause.*] Unless caused by stranding, collision, or the vessel being on fire, the insured warrants this policy to be free from any claim for loss or damage to boilers, steam pipes or machinery, caused by the bursting, explosion, collapsing, or breaking of the same, and to be free from any and every general average and salvage expense in consequence thereof, excepting always the expenses of getting the vessel from an exposed position to the nearest place of safety, when further expenses of above nature are not to be a claim on these insurers.

[*Intervention without prejudice.*] It is agreed, that the acts of the insured or insurers, or their agents, in recovering, saving and preserving the property insured, in case of disaster, shall not be considered a waiver or an acceptance of an abandonment, nor as affirming or denying any liability under this policy, but such acts shall be considered as done for the benefit of all concerned, and without prejudice to the rights of either party.

[*Right to abandon, and mode.*] Further, the insured shall not have a right to abandon the vessel in any case, unless the amount which the insurers would be liable to pay under an adjustment as of a partial loss, shall exceed half the amount insured, nor shall detention by the season, or by any other cause, be alleged or allowed as cause for abandonment. Moreover, no abandonment, in any case whatever, even when the right to abandon may exist, shall be held or allowed as effectual or valid, unless it shall be in writing, signed by the insured, and delivered to the said

Company or to their authorized agent, nor unless it shall be efficient, if accepted, to convey to and to vest in the said Insurance Company an unincumbered and perfect title to the subject abandoned; and the valuation of said vessel, expressed in this policy, shall be considered the value in adjusting losses covered by this policy.

[*When Payable.*] Losses shall be payable in sixty days after proofs of such loss, or damage, and of the amount thereof, and proof of the interest of the insured shall be made and presented at the office of said Company (the amount of the premium, or note for premium, on this policy, if unpaid, and all other indebtedness due this Company, being first deducted.)

[*Transfer to insurers; lien on vessel.*] It is also agreed and understood, that in case of loss or damage under this policy, the insured, in claiming and accepting payment therefor, hereby, and by that act assigns and transfers all his or their right to claim for such loss or damage as against any person or persons, to this Company; to inure to their benefit, however, to the extent only of the amount of the loss or damage and attendant expenses of recovery, paid or incurred by this Company, and any act of the insured waiving or transferring, or tending to defeat or decrease any such claim against any person or persons, shall be a cancellation of the liability of this Company for or on account of the loss or damage claimed; and the expenses of recovery or otherwise (if any,) paid or incurred by the said Company, shall be a lien upon and shall be recoverable against the said vessel, tackle, apparel

and other furniture, or any part thereof, or against the insured, at the option of the insurer.

[*Limit of insurance on interest, \$....*] It is also agreed, that this policy shall become void, if any other insurance is or shall be made, upon the vessel interest hereby insured, which, together with this insurance, shall exceed the sum of dollars.

[*Limitation of action.*] It is also agreed, that all claims under this policy shall be void, unless prosecuted within one year from the date of the loss.

[*Non-payment of notes.*] And in case the notes or obligations given for the premium herefor, or any part thereof, be not paid at maturity, the full amount of premium shall be considered as earned, and this policy becomes void, while said past due notes or obligations, or any part thereof, remain overdue and unpaid.

[*Grain in bulk.*] It is also agreed, that in all cases when carrying grain cargoes in bulk, the vessel hereby insured shall have the same secured by good and sufficient shifting boards, properly and securely put in place, so as to effectually prevent the shifting of the cargo.

[*Assignment of insurance.*] The interests of the insured in this policy, or any part thereof, or in the property hereby insured, or any part thereof, is not assignable, unless by consent of this corporation, manifested in writing, and in case of transfer or termination of any such interest of the insured, or any change of the nature of the insurable interest of the insured in the property aforesaid, either by sale or otherwise, without such consent, this policy shall

from thenceforth be void and of no effect; and no assignment or transfer shall in any case relieve the insured, or property hereby insured, from any or all of the conditions therein expressed, and a violation of, or non-compliance with any of such conditions, either by the assignee or by the assignor, before or after the assignment or transfer, shall vitiate this policy.

[*Usages and regulations.*] N. B.—This policy is subject to the usages and regulations of the port of New York, on all matters of adjustment and settlement of losses not herein otherwise clearly specified and provided for, to be stated by a competent adjuster of marine losses, designated by the insurers.

5. *Proof of Loss—Note of Protest.*

United States of America, State of Illinois, Port of Chicago, ss.

[*Caption.*] On this day of, in the year of our Lord one thousand eight hundred and sixty-. . . ., personally appeared and presented himself at the office of, a Notary Public in and for the county aforesaid, Master of the, or vessel the, which sailed on a voyage from the port of, in the State of, on the day of last past, and arrived at the port of, in the State aforesaid, on the day of, instant, laden with a cargo of

And the said Master hereby gives notice of his intention of protesting, and causes this note or minute of all

and singular the premises to be entered in this register.
....., Master.

[*Oath, voyage, condition of vessel.*] By this public instrument of protest, be it known and made manifest to all whom it doth, shall or may concern, that on the day of, in the year of our Lord one thousand eight hundred and sixty....., before me,, a Notary Public, in the State aforesaid, by Letters Patent, under the Great Seal of the State, duly commissioned and sworn, and residing at Chicago, aforesaid, personally appeared, Master of the, who being duly sworn, according to law, on solemn oath, did depose, declare and say as follows: That on the day of, the said vessel left the port of, bound thence to, at which time the said vessel was tight, staunch, sound, and well and sufficiently found, fitted, manned, and provisioned for their intended voyage.

[*Particulars of loss.* Here state particularly the facts of the loss or damage.]

[*Notary's recital.*] And the said Master says that as all the damage and injury which already has or may hereafter appear to have happened or occurred to the said vessel or her cargo, has been occasioned solely by the circumstances hereinbefore stated, and cannot and ought not to be attributed to any insufficiency of the said vessel, or default of him, this deponent, his officers or crew, he now requires me, the said Notary, to make his protest, and this public act thereof, that the same may serve and be of full force and virtue, as of right shall appertain.

[*Master's protest.*] And, thereupon, the said Master of

said vessel doth protest, and I, the said Notary, at his special instance and request, do by these presents publicly and solemnly protest against, winds, weather and seas, and against all and every accident, matter and thing had and met with as aforesaid, whereby or by means whereof the said vessel or her cargo already have or hereafter shall appear to have suffered or sustained damage or injury, for all losses, costs, charges, expenses, damages and injury which the said vessel, or the owner or owners of the said vessel, or the owners, freighters or shippers of her said cargo, or any other person or persons interested or concerned in either, already have or may hereafter pay, sustain, incur, or be put into by or on account of the said premises, or for which the insurer or insurers of the said vessel or her cargo is or are respectively liable to pay or make contribution or average according to custom or their respective contracts or obligations, and that no part of said losses or expenses already incurred or hereafter to be incurred, do fall on him, the said Master, his officers or crew.

[*Twenty-four hours.*] And this Appearer . . . further declares that within twenty-four hours after his arrival he appeared at the office of the said Notary and caused his protest to be duly noted.

[*Signing, sealing, etc.*] This done and protested in the city of Chicago, this . . . day of . . . , A. D. 186 . .
, Master., Mate., Seaman.

In Witness Whereof, As well the said Appearers, as I, the said Notary, have hereunto subscribed these presents, and I, the said Notary, have hereunto attached my notarial

seal, the day and year last aforesaid., Notary Public.

The foregoing forms are used by the Home Insurance Company, of New York.

6. *Another form of Common Application.*

APPLICATION FOR MARINE INSURANCE IN THE MARINE AND FIRE INSURANCE COMPANY.

., 186..

Date and place of invoice, Of whom purchased, or by whom shipped, Packages, numbers and marks, Description of articles and sums to be insured: \$ on; \$ on; \$ on Date or port of commencement of risk, Port of termination of risk, Names of vessels, boats or route, All vessels or boats warranted seaworthy., Applicant.

[*Endorsement provisions.*] No shipment to be considered as insured, until approved and endorsed on this policy by this company. Endorsements valued at the same, provided they do not vary from the cost more than per cent.; and the sound value at the port or place of destination is not to be deemed to exceed ten per cent. on the purchasing prices at the shipping port.

[*Separate average.*] Each package of dry goods and hardware costing fifty dollars and upwards, and each bill of other merchandise costing one hundred dollars and upwards, subject to separate average. Also, each three pack-

ages of boots, shoes and hats, in the order of invoice, separately insured, excepting on shipments to foreign ports, and also to American ports in the Pacific ocean.

[*Abandonment warranties.*] Warranted not to abandon in case of capture, seizure, or detention, until after condemnation of the property insured; nor until ninety days after notice of said condemnation is given to this company. Also, warranted not to abandon in case of blockade, and free from any expense in consequence of capture, seizure, detention or blockade, but in the event of blockade to be at liberty to proceed to an open port, and there end the voyage.

7. *Another Form of Cargo Policy.*

CARGO POLICY IN THE MARINE AND FIRE INSURANCE COMPANY.

No.

[*Lost or not lost; boat or rail, per endorsements.*] This policy of insurance witnesseth, that the Marine and Fire Insurance Company, of, do cause to be insured, lost or not lost,, of, for account of, or whom it may concern, on goods, wares, merchandise, produce or stock, shipped, or to be shipped, on board good seaworthy steamboats or barges, canal boats, sail vessels, or per railway, as per endorsements hereon made by, agent for this company at

[*Term of risk.*] Beginning the adventure upon said property from and after the lading thereof, or at the place

and dates otherwise specified, and to continue until landed at the port or ports, as per endorsements.

[*Weather, accidents, stoppings, efforts to recover, grounding, detention, contribution.*] And it shall be lawful for said vessel or boat, during said voyage, to proceed to and touch at any intermediate places, if thereunto obliged by any stress of weather or unavoidable accidents, or for the transaction of any lawful business connected with the voyage, without prejudice to this insurance. And in case of any loss or misfortune resulting from any peril insured against, it shall be the duty of the party insured, . . . factors, servants and assigns, to use all reasonable and proper means for the security, preservation, relief and recovery of the property insured, to the charges whereof the said Insurance Company engages to contribute in proportion as the sum herein insured bears to the whole sum at risk; and it is mutually agreed that the acts of either party, or of their agents, in securing, preserving, relieving, recovering and forwarding the property insured, shall not be considered or held to be either a waiver or an acceptance of an abandonment. It is also agreed, that the insured are not to abandon on account of the vessel or boat grounding or being otherwise detained.

[*Perils insured against; perils excepted.*] Touching the perils which the said Insurance Company are content to bear and take upon themselves in the premises, they are of the lakes, bays, rivers, canals, railroads, fires and jettisons, that shall come or happen to the hurt, detriment or damage of the articles hereby insured, excepting perils, losses or misfortunes arising from or caused by theft, robbery, ice, or

barratry of the Master or any of the crew of the boats or vessels employed in inland navigation, and fraud or misconduct of the Master, when the Master is owner, and losses for which the carrier of the goods is liable, and for any loss or damage occurred at the time of entry or endorsement, caused by any gale, disaster by explosion, fire, or other cause, which occurrence may be well known to the applicant, the community or company at the time of such application being made, whether such property is known to be involved thereby or not, without such contingency is expressly provided for and expressed in this instrument.

[*Articles excepted ; per cent. average salvage and freight ; excepted vessels.*] Provided, also, that the insurers shall not be liable, except in cases of general average; for loss or damage on hoop and sheet iron, iron ware, tin plate, grain, seeds, corn, meal, paper, paper hangings, books and stationery, pictures, musical instruments, looking glasses, looking glass plates, cheese, salt, hides, hay, hops, fruits, oil cake, vegetables and roots, furs, skins and peltries, flax, hemp, hempen yarn, bale rope, cotton bagging, bags, leaf tobacco and cigars, and all other articles perishable in their own nature, unless it amounts to twenty per cent. on the aggregate value of such articles ; nor for loss or damage on sugar, coffee, tea, rice, bread, madder, nuts, dry fish, matting, cassia, pepper, pimento, oil-cloths, carriages and household furniture, unless it amount to ten per cent. on the value of such articles ; nor for loss or damage on any other property on steamboats or sail vessels, unless it amounts to ten per cent. on the whole sum at risk, exclusive of all charges and expenses incurred for salvage and

freight of said property, and for the purpose of ascertaining and proving the loss, and ten per cent. if on flat boats, canal boats or barges. And it is agreed, that the insurers shall not be liable for loss or damage on property in keel boats, flat boats or barges towed by steamboats, except when specially provided for and assented to in this policy.

[*General average; sale of property; inspection; proof; special injuries.*] And it is further agreed, that in case of general average, if the property insured be valued in the statement of average beyond the amount insured, the assured shall recover on this policy only the proportion of the sum assessed which the sum insured bears to the valuation. And in case of disaster at any place within the United States, it shall be the duty of the Master or Agent of the insured to forward the property saved or recovered to the port of destination without unnecessary delay, and the property insured shall not be sold, (except by order of the court,) at any other place than at the port of destination, without express authority from the insurers or their agent; and all articles subject to inspection shall be inspected on arrival at the port of destination by an authorized inspector of the port; and no claim for damage shall be made on such portion thereof as shall pass inspection; and in case of partial loss to other property, the loss shall be ascertained by a separation and sale of the portion only of the contents of the packages so damaged, so far as is practicable, and not otherwise; nor shall damage be claimed for goods being damp, spotted, discolored, mouldy or rusty, unless the same be directly caused by some disaster to the vessel, and proof thereof furnished; nor for leakage, unless

caused by stranding or collision; provided, that articles of cargo which may be in a damaged and perishing condition, so as not to admit of delay, may be sold at public sale, at the nearest convenient market, for account and benefit of whom it may concern, the insured being liable for freight on the same.

[*Articles excepted from policy; unseaworthy craft.*] Money and bullion, promissory notes, and other evidences of debt, books of account, written securities, deeds, or other evidences of title to property of any kind, are not covered by this policy, unless expressly defined as so insured. And it is further agreed, that this policy shall not be binding on property on board of any steamboat, vessel, or other craft which shall have been condemned as unseaworthy by any legal inspector, unless the said boat shall have been repaired and reinstated.

[*Prior insurance; return of premium.*] And it is hereby agreed, that if the insured shall have made any other insurance prior in date to this policy, upon the property aforesaid, which shall equal or exceed in amount the whole value at risk, then the said Insurance Company shall not be liable for any loss under this policy, and the insured shall be entitled to return of premium. But if the amount of such prior insurance shall not equal the whole value at risk, then the said Insurance Company shall be answerable for any amounts not exceeding the sum herein insured which the prior insurance shall be deficient in covering, and shall be liable to such proportion of loss as this deficiency bears to the whole sum at risk. And in all other cases the said Insurance Company shall be chargeable with its pro-

portion of loss according as the sum herein insured bears to the whole sum at risk. In all cases of return of premium, on whole or part, ten per cent. of the premium is to be retained by the insurers.

[*Assignment to insurers.*] It is further agreed, that should any loss or damage, under this policy, be occasioned by any other vessel, person or persons, in such manner that such other vessel, or the owner or owners thereof, or such person or persons, shall be liable therefor, then all claims for such damage shall be assigned over to the said Insurance Company, or shall inure to their benefit in proportion to the amount of such loss sustained by them (according to the amount) as the losses sustained by other sufferers shall be paid out of said recovery.

[*Proofs of loss; whose expense.*] Proofs of loss, either of protests, bills of lading, certificates, affidavits, or any other vouchers the company require to be furnished as evidence of adjustment, are to be free of any expense to the company.

[*Special limitation of actions.*] It is furthermore hereby expressly provided, that no suit or action against said company for the recovery of any claim upon, under, or by virtue of this policy, shall be sustainable in any court of law or chancery, unless said suit or action shall be commenced within the term of twelve months next after any loss or damage shall occur; and in case any such suit or action shall be commenced against said company after the expiration of twelve months next after such loss or damage shall have occurred, the lapse of time shall be taken

and deemed as conclusive evidence against the validity of the claim thereby so attempted to be enforced.

[*Time for payment of loss; deductions.*] In case of loss, such loss shall be paid within sixty days after proof of loss and interest and adjustment thereof, the amount of premium note, if unpaid, and all other notes, accounts and demands of said company against the said insured being first deducted.

[*Assignment of policy.*] It is also agreed, that this policy shall be void in case of its being assigned, transferred or pledged, without the consent, in writing, of the insurers.

[*Undertaking to pay loss; and execution of policy.*] And the said Insurance Company does undertake and agree to make good and satisfy unto the said insured, (subject to the preceding provisions,) all such loss or damage on the property insured, not exceeding in amount the sum insured thereon, in any instance; which loss or damage is to be estimated according to the true and actual value of the property insured, at the time such loss or damage shall happen. To the true performance of which we hereby bind the capital stock and other common property of the said Marine and Fire Insurance Company, to the insured, heirs, executors, administrators and assigns, for the true performance of the premises, having received the consideration of this insurance at the rate per cent. as per endorsements hereon.

In Witness Whereof, The President of the said Insurance Company has hereunto subscribed his name, and caused the same to be attested by their secretary, at their office in,

this day of, 186.., President., Secretary.

ENDORSEMENT UNDER THE FOREGOING POLICY.

For any risk not previously contracted for and provided against by this policy, it shall be open and valid to endorsement of same, and it shall not attach upon any property unless entered hereon, with the particulars of the risk, by the agent. It being expressly understood, when application is made for such endorsement of any new proposition on shipments not contracted previously by this policy to be insured, it shall always be optional with the company to decline or accept such open proposition.

Insurance is declared on the following: Date of entry, Date and place of invoice, Of whom purchased, or by whom shipped, Packages, numbers and marks, Description of articles, Date or ports of commencement or termination of risk, Names of vessels, boats or route, Amount insured, Rate, Premium,

8. *Common Application for Hull Policy.*

APPLICATION FOR HULL INSURANCE, IN THE MARINE AND FIRE INSURANCE COMPANY.

No.

....., 186.. Insurance is wanted on the hull of the good canal boat,, owner,, Master, for from this date, to navigate the, between

the ports of Valuation, \$ Amount insured,
\$ Rate, Premium, \$

Warranted seaworthy., Applicant.

9. *Another Form of Hull or Vessel Policy.*

HULL POLICY IN THE MARINE AND FIRE INSUR-
ANCE COMPANY.

Sum insured, \$ Valued at \$ Insurance re-
stricted to \$ Premium, \$ Policy, \$

[*Lost or not lost; sum; value; voyage; term.*] The
Marine and Fire Insurance Company do insure and cause
to be insured, lost or not lost,, in the sum of
dollars, upon the hull, furniture and appurtenances of the
. . . . boat, valued at dollars, under command of
., to navigate the Beginning the adventure
on the said boat at 12 o'clock at noon on the day of
. . . ., one thousand eight hundred and, and to con-
tinue and endure until noon on the day of, one
thousand eight hundred and

[*Stress of weather, and accidents; tackle, and officers,
crew, etc.*] And it shall be lawful for said boat, during the
continuance of this policy, to proceed to, touch and stay
at, any places on said waters, if thereunto obliged by stress
of weather, or other unavoidable accidents, if the same be
necessary, for the transaction of any lawful business con-
nected with the voyage, without prejudice to this insur-
ance. The insured agreeing that the boat aforesaid is and
shall be, during the continuance of this policy, sufficiently

found in tackle and appurtenances thereto, and competently provided with Master, officers and crew. Touching the perils which the said Insurance Company are content to bear and take upon themselves in the premises, they are of the rivers aforesaid, fire, and all other perils, losses and misfortunes, which shall come to the damage of the said boat, according to the true intent and meaning of this policy as herein expressed.

[*Duty of insured to recover and repair ; interposition of insurers ; contribution ; abandonment ; sale ; one-third new for old.*] And in case of loss or misfortune, as aforesaid, it shall be the duty of the insured, his, her or their agents or assigns, to use every practicable effort for the safeguard and recovery of the said boat ; and, if recovered, to cause the same to be forthwith repaired ; and, in case of the refusal on the part of the insured, his, her or their agents or assigns, to adopt prompt and efficient measures for the safeguard and recovery thereof, then the said insurers are hereby authorized to interpose and recover the said boat, and cause the same to be repaired for account of the insured ; to the charges of which the said Insurance Company will contribute in proportion as the sum herein insured bears to the agreed value in this policy ; but in no case whatever shall the insured have the right to abandon on account of the boat grounding or being otherwise detained, nor until it shall be ascertained that the recovery and repairs of the said boat are impracticable ; nor sell the wreck, or any part thereof, without the consent of this company. And in the adjustment of all claims for repairs to the boat, or replacing apparel or furniture, the loss or

damage shall only be estimated or charged against the insurers, after excluding all losses or damages requiring to be repaired or replaced in consequence, in whole or part, of wear and tear or natural decay—the proceeds of all articles replaced at the charge of the insurers shall be deducted from the net loss, after the usual deduction of one-third “new for old,” from the cost of such repairs, or replacing apparel or furniture, that being the agreed difference in value between new and old materials.

[*Partial loss ; particular average ; expenses ; overlading ; boiler clause ; wages and provisions.*] Provided, that the insurers shall not be liable for any partial loss, or particular average, unless said loss amounts to ten per cent. on the agreed value in this policy, on each damage or loss, to or from a port of necessity or port of the voyage, after deducting proceeds of savings, if any, and exclusive of all expenses of ascertaining and proving the same; nor the damage or loss arising from, or caused by, the said boat being unduly laden, during the continuance of this policy; nor for any damage or loss arising from the bursting of boilers, collapsing of flues, or breaking of engines, unless from unavoidable external cause; nor for any consequences resulting therefrom; nor for any claim for wages or provisions furnished to officers or crew, while the said boat is detained by any disaster, or during subsequent repairs, except for extra service rendered in protecting or recovering said boat.

[*Payment of loss ; deduction.*] And in case of loss, the amount to be paid by the Insurance Company shall be such proportion thereof as the sum herein insured bears to the agreed value in this policy; which amount shall be paid in

sixty days after proof thereof of interest and adjustment; the insured deducting two and a half per cent. from the amount of the claim, together with the amount of the premium note, if unpaid, and all other notes, accounts and demands of said company against the said insured.

[*Anchors, cables; general average valuation.*] The loss of anchors and cables is not included in this policy, unless occasioned by stress of weather. In case of general average, if the boat insured is valued in the statement thereof beyond the sum at which she is valued in this policy, the insurers are to pay such part only of the sum assessed as the amount insured bears to the assessed valuation.

[*Assignment of policy; other insurance.*] And it is hereby further agreed, that this policy shall become void upon assignment thereof, transfer of interest, or change of command, or if any other insurance be made upon the interest hereby insured, which, together with this insurance, shall exceed dollars, unless the consent of this company thereunto be obtained, and endorsed thereon.

[*Binding clause and execution.*] And the Insurance Company aforesaid do hereby bind the capital stock, and other common property of said Insurance Company, to the insured, his, her or their heirs, executors, administrators and assigns, for the true performance of the premises, having received the consideration for this insurance, at the rate of per cent. on the sum herein insured.

In Witness Whereof, The President of the said Insurance Company has hereunto subscribed his name, and

caused the same to be attested by their Secretary, at their office in , this day of , 186. , President. , Secretary.

The foregoing forms 6, 7, 8, 9, are used by the Peoria Marine and Fire Insurance Company.

CHAPTER VII.

FORMS FOR FIRE INSURANCE.

1. APPLICATION FOR INSURANCE OF DWELLINGS, STORES, WAREHOUSES, AND THEIR CONTENTS.
2. SURVEY OF FLOURING MILL FOR INSURANCE.
3. FORM OF FIRE POLICY.
4. CONSENT TO ASSIGNMENT OF THE POLICY.
5. ASSIGNMENT OF POLICY.
6. COMMON APPLICATION FOR FIRE INSURANCE OF ORDINARY HAZARDS.
7. ANOTHER FORM OF FIRE POLICY.
8. CONSENT TO ASSIGN, AND ASSIGNMENT.
9. FORMS FOR PRELIMINARY PROOF OF LOSS.
10. FORMS FOR SETTLING DIFFERENCE BY APPRAISEMENT.

1. *Application for Insurance of Dwellings, Stores, Warehouses, and their Contents.*

THE FIRE INSURANCE COMPANY, OF

The estimated cash value of personal property, and of each building to be insured, and the sum to be insured on each, must be stated separately. When personal property is situated in two or more buildings, the value and amount

to be insured in each must be stated separately. When insurance is wanted on personal property, the same description should be given of the building containing the property, as if insurance is wanted on the building.)

Application of, of, for insurance against loss or damage by fire, by the Fire Insurance Company, in the sum of dollars on the property specified; the value of the property being estimated by the applicant. It being understood that the value of buildings given, is exclusive of land, cost of cellar, and foundation.

On, valuation, \$., sum to be insured, \$., rate, \$.; on, valuation, \$., sum to be insured, \$., rate, \$.; on, valuation, \$., sum to be insured, \$., rate, \$.

(The applicant will answer the following questions, and sign the same, as a description of the premises on which the insurance will be predicated. Unless all questions are definitely answered, the application will be declined.)

1. [*Description of building.*] Where situated? Street and No. Is it stone, brick, or wood? How many stories high? When built?

2. [*Walls.*] Are the division walls of brick? If so, what is their thickness? Are they entire? Do they rise above the roof?

3. [*Roof.*] What is it covered with? Is the cornice stone, metal, or wood? Is there a scuttle and stairs to roof?

4. [*Chimneys.*] How many in the building? How

thick are the walls? Are they built from the ground? If not, how?

5. [*Lighting; fuel.*] What is used for lighting? What fuel is used? And how are ashes disposed of? State particularly.

6. [*Stoves.*] Are the stoves and pipes properly secured, and will you engage to keep them so? Do the pipes enter a chimney? Do they pass one or more wood partitions or floors at a less distance than four inches from wood, and how are they secured?

7. [*Use; tenants.*] For what purposes is the building used? How many tenants? Which part occupied by applicant?

8. [*Lightning rod.*] Has the building a lightning rod on the new plan?

9. [*Distances; occupancy.*] Distance and materials of other buildings, within 100 feet of the one to be insured? And how occupied? (To be shown by diagram on the other side of this sheet.)

10. [*Other insurance.*] What other insurance is there upon the property? At what office, and rate of premium?

11. [*Mortgage.*] Is the property mortgaged? And to what amount? Is there any insurance by the mortgagee?

12. [*Ownership.*] Are you the sole and undisputed owner of the property to be insured? Any other party interested?

13. [*Ownership of ground.*] Do you own the ground on which the building stands? If not, how is it held?

14. [*Extinguishing fires.*] What are the facilities for extinguishing fires in your place?

15. [*Incendiaries.*] Have you any reason to apprehend danger from incendiaries?

[*If the risk be Merchandise.*]

16. [*Accounts.*] Do you keep a merchandise account, and a daily sales book? How often do you take an inventory? What was the date and amount of the last? (No risk will be accepted unless inventory is taken once in each year.)

17. [*Matches.*] Are friction matches kept for sale? If so, are they kept in metal or earthen vessels, and not exposing other property?

[*Prohibited articles.*] The keeping of gunpowder, saltpetre, phosphorus, camphene, or burning fluid, petroleum, benzine, naphtha, and kerosene oil, on or in the premises, is not allowed without written permission in the policy.

[*Covenant.*] And the said applicant hereby covenants and agrees to and with said company, that the foregoing is a just, full and true exposition of all the facts and circumstances in regard to the condition, situation, value and risk of the property to be insured, so far as the same are known to the applicant and are material to the risk.

....., Applicant. Dated, 186.. For year...
at cents.

Questions to be Answered by Agent.

1. [*Other Insurance.*] Has this company any other insurance within 100 feet? If so, how much, and for whom?

2. [*Previous fire.*] Have these premises ever been on fire? If so, were they insured? and at what office? How did the fire originate?

3. [*Other information.*] Please give any other information relating to the risk, or to the character of the applicant, that we should know.

....., Agent.

Diagram.

(Draw brick and stone buildings in *red*, and frame buildings in *black*, giving distances from each other, and for what purposes occupied. Agents will note all buildings within 150 feet, of what materials constructed, and for what purposes occupied.)

2. *Survey of Flouring Mill for Insurance.*

No.

.... FIRE INSURANCE COMPANY, OF

Survey and diagram of flouring mill at, State of, on which insurance is to be predicated, viz.: On, valuation, \$....., sum to be insured, \$.....; on, valuation, \$....., sum to be insured, \$.....; on, valuation, \$....., sum to be insured, \$.....

Name of the mill,

1. [*Material; date.*] Is the building brick, stone, or wood? and when was it built?

2. [*Roof; gutters.*] What is the roof covered with? Are the gutters stone, metal, or wood?

3. [*Shafting, etc.*] Are the shafting and gearing of iron or wood?

4. [*Dimensions ; settling.*] Height and dimensions? Is the frame work substantial, so that the shafting runs true? If any part settles or sags, state the fact.

5. [*Stones.*] How many runs of stone?

6. [*Smut Machine.*] Is there a smut machine in the mill, and where is it located? Is it entirely of iron? Whose pattern is it? Is the lower box kept constantly supplied with tallow? How many revolutions does it make a minute? What portion of the time is it in operation? Is the smut allowed to accumulate under the machine, or in the room?

7. [*Bran duster.*] Is there a bran duster in the mill, and where is it located? How many revolutions does it make per minute?

8. [*Rate of motion.*] What is the quickest motion of any part of the machinery or shafting in the mill, running in wooden boxes? State the number of revolutions per minute.

9. [*Watchman.*] Is there a watchman in the mill during the night?

10. [*Fuel ; ashes.*] What is used for fuel, and how are the ashes disposed of?

11. [*Warming ; stoves.*] How is the mill warmed? If by stoves, state how many, and what kind. Are they sound and in good order? What is under them, how far from a partition or wall, and is it wood or brick?

[*Stove pipes.*] If stoves are used, is the pipe in good order? Does it pass a partition or floor? If so, how

secured, and how near does it come to wood? Does it enter a chimney; and if so, is the chimney built from the ground? Does it rise above the peak of the roof, and how far?

12. [*Steam-boiler.*] Is there a steam-boiler in the mill, or in any adjacent building? State particularly where it is located, for what purpose it is used, and how secured.

13. [*Roof, distance.*] How far from roof to top of line shafting by which motion is communicated to the small machinery of the mill?

14. [*Chimneys; floors; spaces; fuel, etc.*] Is the chimney to the boiler furnace built double, with hollow walls? How thick are the walls of the chimney? Is it in the mill? And if so, does it rise above the peak of the roof, and how far? Do the floors, timbers, or roof, come in contact with the chimney? If not, what space intervenes? How thick are the walls of the boiler furnace, and how far from wood work over head and sides? What fuel is used?

15. [*Ladders or steps.*] Are ladders or steps so arranged as to admit of easy access to top of line shaft and other machinery in attic, or upper story of building, so that it may be readily examined or oiled?

16. [*Scuttles; oiling.*] Are there a scuttle and ladders, so that access can be had to the roof readily? Are there any regulations enforced as to oiling machinery, and how often is it done?

17. [*Working hours; other business; motive power; rental.*] During what hours does the mill run? Is any other business carried on in it? Is it driven by water or

steam power? If the property is rented, how much is paid annually?

18. [*Extinguishing fires.*] What are the facilities for extinguishing fire on the premises?

19. [*Incendiaries.*] Have you any reason to believe that your property is in danger from incendiaries?

20. [*Cash values.*] What is the cash value of the property to be insured, including only the mill above the foundation, and the machinery? Also, the average amount of grain and flour in the mill? State separately.

21. [*Incumbrances.*] What incumbrance, if any, is there on said property? If mortgaged, state the amount. Is there any insurance by the mortgagee?

22. [*Other insurance.*] What other insurance, if any, is there now on said mill and stock, by the applicant and others, and at what office?

23. [*Adjacent buildings.*] Description and distance of adjacent buildings; of what material built, size, height, and how occupied?

....., Applicant.

Dated at, this day of, 186.. For
..... year at cents.

Diagram.

3. *Form of Fire Policy.*

.... FIRE INSURANCE COMPANY, OF

No. \$.

[*Insurance clause.*] By this policy of insurance, the Fire Insurance Company, of, in consideration of the receipt of dollars, do insure, and legal representatives, dollars, on

[*Limit of insurance; peril; loss; and term.*] Against all such immediate loss or damage as may occur by fire to the property specified, not exceeding the sum insured, nor the interest of the insured in the property, except as hereinafter provided; from the day of, eighteen hundred and, at 12 o'clock, noon, to the day of, eighteen hundred and, at 12 o'clock, noon.

[*When payable; notice and proofs; right to repair; payment of premium.*] To be paid sixty days after due notice and satisfactory proofs of the same made by the insured, are received at the office of this company; it being covenanted, as conditions of this contract, that this company may repair, restore, or replace the property lost or damaged, on giving notice of such intention within sixty days after receipt of proofs herein required, and that this company shall not be liable until the actual payment of the premium.

[*Losses not covered by insurance; abandonment.*] Nor for loss by theft at or after a fire, nor for loss caused by invasion, insurrection, riot, civil commotion, military or usurped power; nor for loss caused by lightning, or explosions of any kind unless fire ensues, and then for the loss

or damage by fire only ; nor for loss or damage caused by removal of property from a building, where there is no loss by fire, unless such removal was necessary to preserve the property, in which case the damage shall be borne by both parties, in proportion as the whole sum insured bears to the whole value of the property insured ; nor for loss or damage caused by neglect to use all practicable means to save and preserve the property from damage at and after the fire ; and there can be no abandonment to the company, of the property insured.

[Application warranty ; misrepresentation ; concealment ; other insurance ; increase of risk ; change in title ; assignment of policy ; imperfect title ; extra-dangerous articles ; vacation of premises ; police regulations ; canceling policy.]

If an application, survey, plan or description, of the property herein insured, is referred to in this policy, such application, survey, plan or description, shall be considered a part of this policy and a warranty by the insured ; and if the insured, in a written or verbal application, makes any erroneous representation, or omits to make known any fact material to the risk ; or if the insured shall have or shall hereafter make any other insurance on the property hereby insured, without the consent of the company written hereon ; or if the risk be increased by any means within the control of the insured ; or any change takes place in the title or possession of the property, whether by sale, lease, legal process, judicial decree, voluntary transfer or conveyance ; or the policy is assigned without consent of the company endorsed hereon ; or if the interest of the insured be any other than the entire, unconditional and sole ownership

of the property, and is not so expressed in the written portion of the policy; or if gunpowder, phosphorus, naphtha, benzoin, or crude earth or coal oils, are kept on the premises; or if camphene, burning fluid, or refined coal or earth oils, are kept for sale, stored or used on the premises, in quantities exceeding one barrel at any one time, without written consent; or if the premises hereby insured become vacated by the removal of the owner or occupant, for a period of more than thirty days, without immediate notice to the company, and consent endorsed hereon; or for neglect or deviation from the laws or police regulations made to prevent accidents from fires; then, and in every such case, this policy shall be void. This policy may be canceled at any time at request of insured, the company retaining customary monthly short rates for time policy has been in force; it may also be canceled at any time by the company, on giving written or verbal notice to that effect, and refunding or tendering a ratable proportion of the premium for the unexpired term of the policy.

[Loss, notice, proofs; magistrate's certificate; actual damage; other insurance; assignors; books and papers; examination on oath; appraisal; inventory; expenses; fraud.]

In case of loss, the insured shall give immediate notice thereof, and shall render to the company a particular account of said loss, under oath, stating the time, origin and circumstances of the fire; the occupancy of the building insured or containing the property insured; other insurance, if any, and copies of all policies; the whole value and ownership of the property; and the amount of loss or damage; and shall produce the certificate, under seal, of

a magistrate, notary public, or commissioner of deeds, nearest the place of the fire, and not concerned in the loss or related to the insured, stating that he has examined the circumstances attending the loss, knows the character and circumstances of the insured, and verily believes that the insured has, without fraud, sustained loss on the property insured to the amount claimed by the said insured. In no case shall the claim be for a greater sum than the actual damage to or cash value of the property at the time of the fire, nor shall the insured be entitled to recover of this company any greater proportion of the loss or damage than the amount hereby insured bears to the whole sum insured on said property, without reference to the solvency or the liability of other insurers. Assignors, unless the assignee owns the property, must make the proofs hereby required. If required, the insured shall produce books of account and other proper vouchers — original or duplicate invoices, and all property hereby insured, whether damaged or not damaged; and be examined under oath, by any person appointed by the company, touching all questions relating to the loss, and subscribe such examination when reduced to writing. Damage to property not totally destroyed, unless the amount of said damage is agreed upon between the insured and the company, shall be appraised by disinterested and competent persons, mutually agreed upon by the parties; when personal property is damaged, the insured shall put it in the best order possible, and make an inventory thereof, naming the quantity and cost of each article, and upon each article the damage shall be separately appraised; and the detailed report of the appraisers in writing, under oath, shall form a part of the proofs hereby

required, each party paying one-half the expense of appraisal; and until such proofs and certificates are produced, and examination and appraisal permitted, the loss shall not be payable. All fraud or attempt at fraud on the part of the insured shall cause a forfeiture of all claim under this policy.

[*Re-insurance; pro rata rule.*] Re-insurance to be on the basis, that in no event will this company be liable for a sum greater than such portion hereby re-insured bears to the whole sum insured by the company re-insured; and in case of loss, this company to pay *pro rata*, at and in the same time and manner as the company re-insured.

[*Twelve months limitation.*] It is expressly covenanted by the parties hereto, that no suit or action against this company for the recovery of any claim by virtue of this policy, shall be sustainable in any court of law or chancery, unless commenced within twelve months next after the loss shall have occurred; and should any suit or action be commenced against this company after the expiration of the aforesaid twelve months, the lapse of time shall be taken and admitted as conclusive evidence against the validity of such claim, any statute of limitation to the contrary notwithstanding.

[*Excepted articles.*] N. B.—Books of account, securities for money, evidences, of debt, deeds, money, bullion, plate, jewels, medals, engravings, paintings, sculptures, ornaments, musical and scientific instruments, models and curiosities, are not insured unless particularly mentioned in the policy.

[*Conditions; countersigning and execution.*] This policy

is made and accepted upon the above express conditions, but shall not be valid unless countersigned by the duly authorized agent of the Fire Insurance Company, at
....

In Witness Whereof, The said Insurance Company have caused these presents to be signed by their President, and attested by their Secretary, in the city of, and State of, President., Secretary. Countersigned at, this day of, 186.. .., Agent.

4. *Consent to Assignment of the Policy.*

(This policy is not assignable for purposes of collateral security, but in all such cases it is to be made "payable in case of loss," etc., by endorsement on its face. In case of actual sale or transfer of title, leave being previously obtained, the form subjoined may be used, which must be executed at the time of said transfer.)

The property hereby insured having been purchased by, the Fire Insurance Company consent that the interest of in the within policy may be assigned to said purchaser, subject, nevertheless, to all the terms and conditions therein mentioned and referred to.

Dated at, this day of, 186.. .., Agent.

5. *Assignment of Policy.*

For value received, ... hereby transfer, assign, and set over unto, and ... assigns, all ... right, title and

interest in this policy of insurance, and all benefit and advantage to be derived therefrom.

Witness ... hand and seal this day of, 186..

Sealed and delivered in presence of

The foregoing five forms are used by the Hartford Fire Insurance Company.

6. *Common Application for Fire Insurance of Ordinary Hazards.*

(This form is for dwellings, stores, and other ordinary hazards, and not for mills or manufactories. Separate sums must be insured on each building and on each description of property contained therein. Store fixtures, furniture, and safe, must be insured in separate sums on each.)

To the Insurance Company, of

Insurance is wanted by the undersigned for months, to expire, 186..

(Fill all these blanks carefully.)

On story roof building, No. 1, occupied for, cash value above foundation, \$....., amount to insure, \$....., rate,; on story roof building, No. 2, occupied for, cash value above foundation, \$....., amount to insure, \$....., rate,; on story roof building, No. 3, occupied for, cash value above foundation, \$....., amount to insure, \$....., rate,; on contained in No. above, cash value above foundation, \$....., amount to in-

sure, \$....., rate,; on, contained in No.
 above, cash value above foundation, \$....., amount to in-
 sure, \$....., rate,; on, contained in No.
 above, cash value above foundation, \$....., amount to in-
 sure, \$....., rate,

*(If applicant has a mortgage or leasehold interest, or any other than a fee-simple,
 state the facts in full.)*

Incumbrance, lien, leasehold or mortgage, as follows:

.....

Other insurance (name companies and amounts)

The entire occupancy of the premises is as follows:.....

Questions to Applicant.

Are the sides and divisions substantial fire walls, or have
 they openings into other buildings? (State facts in full.)

.....

Have the windows iron shutters?.....

Warranty.

The above statements are made a special warranty, as if
 written in full upon the face of the policy:

....., 186..

....., Applicant

Questions for Agent.

Are buildings substantial and in good repair?

Are stoves, pipes and flues secure?.....

Are matches and ashes properly cared for?

Exposures: north? south? east?

West?

Is property steadily productive?

Is applicant thoroughly reliable?




Do you fully recommend the risk?

....., Agent

Diagram, or Ground Plan,

Of premises to be insured, and also of all other buildings within 100 feet. (State the material, number of stories, and occupation of each building on the diagram.)

Scale.—The scale used should be one of 10 feet for each one of these small squares, (ruled on the blank,) that is, 80 feet to the inch.

Characters.—For *brick, stone or iron* walls, make straight, black lines, thus:  For *wooden* walls use waving lines, thus:  In case of a substantial fire wall rising above the roof, and without openings, save such as are secured with heavy iron doors or shutters, elongate the line of the wall beyond the building, and cross the end, thus: 

Roof thus: **X** for shingles, ● for composition, and ○ for metal.

7. *Another Form of Fire Policy.*

No..... \$....

THE INSURANCE COMPANY, OF

[*Consideration; summary clause.*] By this policy of insurance, in consideration of dollars to them paid by the insured hereinafter named, the receipt whereof is hereby acknowledged, do insure against loss or damage by fire, to the amount of dollars, on Term,, amount, \$....., rate,, premium, \$.....

[*Insuring clause; peril; term; when payable; right to repair; perils excepted; loss by both parties; neglect; non-*

statement of interest; abandonment; proportionate recovery; right to cancel.] And said company hereby agree to make good unto the said insured, executors, administrators and assigns, all such immediate loss or damage, not exceeding the sum insured, as may occur by fire to the property specified, except as hereinafter provided, from the day of, 186.., at 12 o'clock, noon, to the day of, eighteen hundred and, at 12 o'clock, noon, to be paid within sixty days after due notice and satisfactory proofs of the same; it being covenanted, as conditions of this contract, that this company may repair, restore or replace the property lost or damaged, on giving notice of such intention within thirty days after receipt of proof herein required, and that this company shall not be liable for loss by theft at or after a fire, nor for loss caused by invasion, insurrection, riot, civil commotion, military or usurped power; nor for loss caused by lightning or explosions of any kind unless fire ensues, and then for the loss or damage by fire only; nor for loss or damage caused by removal of property from a building where there is no loss by fire, unless such removal was necessary to preserve the property, in which case the damage shall be borne by both parties, in proportion as the whole sum insured bears to the whole value of the property insured; nor for loss or damage caused by neglect to use all practicable means to save and preserve the property from damage at and after the fire; nor for loss or damage to property of any other party, unless the interest of such party is stated in this policy; and there can be no abandonment to the company of the property insured. The insured shall not recover or demand of this company any greater portion of the loss or damage than the amount

hereby insured shall bear to the whole sum insured on said property. The company may at any time cancel this policy, returning the unexpired premium *pro rata*, and the insured may cancel by paying customary short rates for the expired time.

[*Dangerous articles ; permission.*] If, without written permission hereon, the premises insured or containing the property insured, are used for sale or storage of crude petroleum, earth or rock oil, naphtha, benzine, phosphorus or other inflammable acids, fire works or junk, or for sale or storage of more than five (5) bales of cotton, hemp, hay or rags, or for more than five (5) barrels of refined kerosene or coal oil, or for more than one (1) barrel of varnish, turpentine, camphene or burning fluid, or for more than twenty-five (25) pounds of gunpowder, to be kept only in close tin cans, or if the above named fluids or gunpowder are retailed by artificial light; then, and in every such case, this policy shall be void.

[*Misrepresentations ; police regulations ; leased ground ; absolute ownership ; fraud ; change of title ; other insurance ; assignment of policy ; increase of risk.*] If the insured, in the written or verbal application for insurance, makes any false or erroneous representation material to the risk ; or if there is any neglect or deviation from the laws or police regulations, made to prevent accidents from fire ; or if the premises insured are held upon lease or are upon leased ground, or the interest of the insured is not one of absolute ownership, and the nature of the interest is not clearly defined in writing hereon ; or if there is any attempt on the part of the insured to defraud this company ; or if the title of the property is transferred or changed ; or if, without

written consent hereon, there is any prior or subsequent insurance, or the policy is assigned, or the risk is increased by any means within the control of the insured; then, and in every such case, this policy shall be void.

[*Permission for lights.*] Permission is given to use for lights, gas, kerosene or coal oil, or burning fluid.

[*Saving property; notice of loss; proof of same; occupancy; value; ownership; other insurance; books and papers; examination on oath; amount of claim; assignor and assignee; arbitrators; expenses.*] All persons having a claim under this policy shall proceed at once to put the property saved in the best order possible, separating the damaged from the undamaged, and shall give immediate notice and render a particular account thereof, with an affidavit, stating the time, origin and circumstances of the fire; the occupancy of the building insured or containing the property insured; the whole value and ownership of the property insured; the amount of the loss or damage upon each article; other insurance, if any, and a copy of all policies; if required, shall produce books of account and other proper vouchers, and be examined under oath touching all questions relating to the claim, and shall subscribe to the same; and until such proofs are rendered, the loss shall not become payable; in no case shall the claim be for a greater sum than the actual damage or cash value at the time of the fire; assignors, unless the assignee owns the property, must prove claims to be valid; if differences of opinion should arise between the parties hereto, as to the amount of loss or damage upon property partially damaged, the subject shall be referred to two disinterested and com-

petent men, each party to select one, (and in case of disagreement, they to select a third,) who shall, under oath, ascertain, estimate and appraise such partial loss or damage upon each article separately; and their award, in writing, shall be binding on the parties hereto, each party paying one-half the expense of reference.

[*Re-insurance.*] Re-insurance to be on the basis that, in no event will this company be liable for a sum greater than such portion hereby re-insured bears to the whole sum insured by the company re-insured, and in case of loss, this company to pay *pro rata*, at and in the same time and manner as the company re-insured.

[*Participation in profits.*] This policy does not entitle the holder to participate in the profits of the company, unless otherwise endorsed hereon in writing.

[*Special limitation of actions.*] It is expressly covenanted by the parties hereto, that no suit or action against the company for the recovery of any claim under or by virtue of this policy, shall be sustained in any court of law or chancery, unless commenced within the term of one year next after any claim shall occur; and in case such suit or action shall be commenced against the company after the end of one year next after such loss or damage shall have occurred, the lapse of time shall be taken and admitted as conclusive evidence against the validity of the claim thereby attempted to be enforced, any statute of limitations to the contrary notwithstanding.

[*Articles not included unless mentioned.*] N. B.—Books of account, securities for money, evidences of debt, notes,

bullion, bills, watches, plate, furniture, money, jewels, jewelry, precious stones, medals, paintings, engravings, patterns, casts, models, sculptures, statuary, curiosities, musical and scientific instruments, (piano fortes, melodeons or organs in dwellings excepted,) are not insured, unless particularly mentioned in the policy.

[*Conditions; countersigning; execution.*] This policy is made and accepted upon the above express conditions, but shall not be valid until countersigned by the duly authorized agent of the company, at

In Witness Whereof, The Insurance Company have caused these presents to be signed by their President, and attested by their Secretary, in

Attested., Secretary., President.

Countersigned at, this day of, 186..
, Agent.

8. *Consent to Assign, and Assignment.*

CONSENT.

(This policy is not assignable for purposes of collateral security, but in all such cases it is to be made "payable, in case of loss, to," etc., by endorsement on its face. In case of actual sale or transfer of title, leave being previously obtained, the form subjoined may be used, which must be executed at the time of said transfer.)

The Insurance Company hereby consent that the interest of in the within policy, subject to all the terms and conditions therein mentioned and referred to, be assigned to,, 186.., Agent.

ASSIGNMENT.

For value received, ... hereby transfer, assign and set over unto, and ... assigns, ... title and interest in this policy, and all advantages to be derived therefrom, subject to all the terms and conditions therein mentioned and referred to.

Witness ... hand and seal this day of, 186..

Sealed and delivered in presence of

....., Insured.

9. *Forms for Preliminary Proof of Loss.*

TO THE FIRE INSURANCE COMPANY, OF

State of, County of, ss. Preliminary Proof of Loss.

Claimant's Deposition.

[*Name and oath; fire; schedule of loss.*], being duly sworn, deposes, and each for himself deposes, that on the day of, A. D. 186.., a fire occurred, by which the property of was damaged and destroyed to the amount of, as set forth in statement and schedule annexed, marked; which schedule and statement contain a full and accurate account of the parcels and quantities, and the cash value, of all the property in said premises immediately preceding said fire, and covered by the insurance hereinafter referred to; and a like statement of the amount of said property entirely destroyed, and the amount of damage to such portion of said property as was not so destroyed.

[*Origin of fire.*] And that said fire originated And that the said fire did not originate by any act, design, or procurement on . . . part, or in consequence of any fraud or evil practice done or suffered to be done by . . . , and that nothing has been done by or with . . . privity, to violate any of the conditions of the said insurance on said property.

[*Ownership of the property.*] And that the said property, so lost and damaged, belonged to (If on building, say whether it was *in fee* or on leased ground. If the property or any part was held in trust, or on commission; or if any other party had an interest of any kind in it, state the facts and give names of all parties in interest, and designate what parts or portions of the property was so held.)

[*Situation of the property.*] And that the said property, when so lost and damaged, was contained in (Here describe the buildings or place in which the property was situated, of what material built, its exact locality, and the adjacent buildings within 100 feet, and their uses.)

[*Occupancy of the premises.*] And that the said building or place, containing the aforesaid property, was occupied at the beginning of said fire, in its several parts, by the parties, and for the purposes following, to wit: (Here state names, business, etc.)

[*Statement of the insurance.*] And the said deponent further says, that insured by the Fire Insurance Company, in , against loss and damage by fire, to the amount of , on , (give the written portion of the policy in full,) by policy No. of

said company, running from the day of, A. D. 186.., to the day of, A. D. 186.., at noon, which said policy and insurance was continued in force by renewal, until the day of, A. D. 186.., at noon.

[*Other insurance.*] And deponent further says, that there was other insurance on said property at the time of the said fire, to the amount of dollars, as set forth in the accompanying schedule; besides which, deponent says, there was no other insurance on said property. (In the schedule of additional insurance, give the name of each company, date and term, and amount of policy, rate of premium, and the entire written portion of each.)

[*Statement full, etc.*] And deponent says, on ... oath, as aforesaid, that this preliminary proof, and the papers herein referred to, contain a full, honest, just, true, and faithful statement of the loss and damage of, by fire as aforesaid, and of claim on the said Fire Insurance Company, therefor.

Dated this day of, 186..

Subscribed and sworn to before me, a, residing in the, this day of, A. D. 186..

Magistrate's Certificate.

State of, County of, ss. I,, a justice of the peace, residing in, most contiguous to the property hereinbefore described, hereby certify that I am not concerned in the loss or claim above set forth, either as a creditor or otherwise, or related to the insured

or sufferers; that I have examined the circumstances attending the fire, or damage as alleged, and that I am well acquainted with the character and circumstances of the insured, and do verily believe that . . . ha . . ., by misfortune, and without fraud or evil practice, sustained loss and damage on the property insured, to the amount of dollars.

In Testimony Whereof, I have hereunto set my hand and official seal this day of, A. D. 186..

., J. P.

10. *Forms for Settling Difference by Appraisement.*

. . . . FIRE INSURANCE COMPANY, OF

Agreement for Submission to Appraisers.

It is hereby agreed, by, of the first part, and the Fire Insurance Company, of, and, of the second part, that, and, (together with a third person, to be mutually chosen by them, if necessary,) shall appraise, at the actual cash value, the damage done by fire of, to the, saved in a damaged condition, belonging to, as specified in the accompanying schedule marked, which appraisement or award by them, or any two of them, in writing, shall be binding upon both parties, as to the amount of such damage to said property, referred to in policy No. of said company.

It being mutually understood and agreed, that no other

questions touching the validity, terms, conditions, etc., of said policy are submitted to the consideration of said appraisers.

Witness our hands, this day of, A. D. 186..

.....

Declaration and Oath of Appraisers.

We, the undersigned, appraisers named in the foregoing "agreement," having carefully examined the same, do solemnly swear that we will act with strict impartiality, and will return to said parties a conscientious, just and exact appraisement (with particulars) of the actual cash value of the damage done to said property by said fire, in conformity to the terms and conditions of said agreement, and according to the best of our knowledge, skill and judgment.

Witness our hands this day of, A. D. 186..

.....

Subscribed and sworn to before me, this day of, A. D. 186..

.....

Instruction to Appraisers.

(N. B.—The damaged property must at once be separated from the undamaged, and placed in as good condition as possible, thoroughly classified, and arranged conveniently for the appraisement, and the following blank schedule filled out with a list of the damaged articles only, showing

the kind and quality of each. The appraisers will determine the actual cash sound value of each article at the date of the fire, and appraise the damage (caused by the fire) on each at a definite sum per yard, pound, bushel or gallon, etc., as the case may require. If by any accident, articles without apparent or known damage are found included in the schedule, the appraisers will mark against them "not damaged.")

Schedule

Schedule of property belonging to, (referred to under policy No. of the Fire Insurance Company,) damaged by fire of, A. D. 186.., the damage on which was appraised by, the day of, A. D. 186..

Quantity,; articles and marks,; actual cash value on day of fire, as sound: particular,, aggregate,; appraised damages: particular,, aggregate,

Appraisement.

We, the undersigned appraisers, have, in accordance with the terms and conditions of the foregoing agreement and oath, appraised the actual cash value of the damage to said property by said fire at dollars, as per schedule marked, hereunto annexed.

Witness our hands this day of, A. D. 186..

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The foregoing forms 6, 7, 8, 9, 10, are used by the Security Insurance Company, of New York.

CHAPTER VIII.

FORMS FOR LIFE INSURANCE.

1. APPLICATION FOR LIFE INSURANCE.
2. MEDICAL ATTENDANT'S EXAMINATION AND STATEMENTS.
3. INTIMATE FRIEND'S CERTIFICATE.
4. EXAMINING PHYSICIAN'S EXAMINATION AND STATEMENTS.
5. LIFE INSURANCE POLICY.
6. APPLICATION FOR LIFE INSURANCE.
7. STATEMENT OF MUTUAL FRIEND.
8. MEDICAL ATTENDENT'S STATEMENT.
9. MEDICAL EXAMINER'S STATEMENT.
10. APPLICATION FOR CHILD'S ENDOWMENT.
11. APPLICANT'S DECLARATION FOR CHILD'S ENDOWMENT.
12. PHYSICIAN'S STATEMENT FOR CHILD'S ENDOWMENT.
13. POLICY OF LIFE INSURANCE.
14. RECEIPT FOR PREMIUM.
15. PROOFS OF DEATH.

1. *Application for Life Insurance.*

THE LIFE INSURANCE COMPANY, OF

*Declaration.**

[*Age; health; habits; interest; statements; basis of contract; forfeiture; payment of premium, etc.*] I,, of

county of, State of, being desirous of effecting an insurance with the Life Insurance Company, of, in the sum of dollars; upon Life of,† of, county of, and State of, during the term of,‡ do hereby declare that age next birthday will be years; that now in good health, of sober and temperate habits, and do . . usually enjoy good health; and that the following answers and statements are correct and true, in which I have not concealed, withheld, or misrepresented any material circumstance in relation to the past or present state of health, habits of life, or condition, which may render an insurance on life more than usually hazardous, or with which the directors of said company ought to be made acquainted.

And do hereby declare, that have an interest in the life of the said, to the full amount of the said sum of dollars.

And . . . do hereby agree, that the answers given to the following questions, and the accompanying statements, and this declaration, shall be the basis and form a part of the contract or policy between . . . and the said company; and that if the same be not in all respects true and correctly stated, the said policy shall be void, and all moneys which may have been paid on account thereof, and all dividend credits which may accrue therefrom, shall be forfeited to said company; and . . . further agree, that the insurance hereby proposed shall not be binding on said company, and no policy shall attach, until the amount of premium as

stated therein, shall be paid to said company, in the lifetime of said insured.

Dated at, this day of, 186..

Witness, (Signed)§

Questions and Answers above referred to.

1. [*For whose benefit.*] Name and residence of the person for whose benefit the insurance is proposed. || (Give Christian names in full, and plainly written.) If wife or husband, so state.

2. [*Person insured.*] Name and residence of the person whose life is proposed to be insured. (See note as above.) If wife or husband, father, mother, brother or sister of applicant, so state.

3. [*Occupation; marriage.*] Occupation of person whose life is proposed to be insured; and whether married or single.

4. [*Birth.*] Place and date of birth of the party whose life is to be insured, giving months and days.

5. [*Age.*] Age next birthday.

6. [*Habits.*] Is the party now, and has . . . always been of temperate habits?

7. [*Foreign residence.*] Has the party resided out of the United States; and if so, where, for what purpose and period, and what was the effect of such residence on . . . health?

8. [*Small pox.*] Has the party been vaccinated or had the small pox?

9. ¶ [*Consumption; insanity; relatives.*] Has father, mother, brother or sister of the party died, or been afflicted with consumption, or any other disease of the lungs, or insanity? If so, state full particulars of each case. How many brothers and sisters in all? How many have died, and of what disease? What is the present health of the survivors?

10. [*Particular diseases.*] Has the party been, or is he now afflicted with fits, dropsy, liver complaint, asthma, spitting of blood, gout, rheumatism, insanity, rupture or fistula? and which?

11. [*Same.*] Has the party been afflicted with disease of the heart, of the urinary, and if a female, of the uterine organs? If so, which?

12. [*Same.*] Has the party been afflicted during the last seven years, with any severe or acute constitutional disease, and what?

13. [*Same.*] Is the party now afflicted with any disease or disorder, and what?

14. [*Injuries.*] Has the party ever met with any accidental or serious personal injury? If so, what was it?

15. [*Medical attendant.*] Name and residence of the party's usual medical attendant, or (if he have none,) of some other medical person to be referred to for information as to his health.

16. [*Intimate friend.*] Name and residence of an intimate friend to be referred to for similar information.

17. [*Sum.*] Amount of insurance applied for, \$....

18. [*Term; plan.*] Term for which the insurance is desired, and specific plan.

19. [*Previous proposal.*] Has a previous proposal been made for insurance in this or any other company, and if so, was it accepted or not? and if accepted, for what amount?

20. [*Question of fraud.*] Is the party aware that any untrue or fraudulent allegation, made in effecting the proposed insurance, will render the policy void, and that all payments of premiums made thereon, and dividend credits accruing therefrom, will be forfeited?

Witness,

(Signed)§

.....

Instructions.

* This declaration should be made and signed by the person in whose name and for whose benefit the policy is desired. If a wife insures a husband, it should be made in her name, and both should sign it and the answers to the questions given.

† Insert "my own," if insurance is proposed on the party's own life; if on another's life, insert the person's name.

‡ "Whole term of life," or "term of three, five, or seven," etc., years.

§ In signing, write the Christian name.

|| The first two questions will have the same answers, when the applicant insures his own life; different answers, if he insures the life of another person. The names should be plainly written, and the residence given in full. All the blanks and certificates should be properly filled before sending to the office.

¶ If these interrogatories are not explicitly and fully answered, the application will be declined, or returned for completion.

2. *Medical Attendant's Examination and Statements.*

THE LIFE INSURANCE COMPANY, OF

Questions to be answered by the Physician of the party applying for insurance.

1. [*Length of acquaintance.*] How long have you known?

2. [*Medical attendance.*] Have you been in the habit of seeing . . . frequently, and giving . . . medical attendance, and for what disease?

3. [*Temperament, etc.*] What is . . . temperament, height, and general appearance?

4. [*Pulmonary Complaints.*] Has the party's parents, brothers or sisters, been afflicted with pulmonary complaints, or any other disease that tends to shorten life? And if so, what?

5. [*Particular diseases.*] Has . . . at any time been afflicted with any disease of the brain or nervous system? of the lungs; of the heart, its valves, or the blood vessels; bowels; stomach; liver; or urinary organs; if so, what? If a female, state condition of uterine organs, and character of labors.

6. [*Heart.*] Give the stethoscopic character of respiration and heart's action.

7. [*Pulse.*] State the average, rate, and other qualities of the pulse.

8. [*Hereditary disease.*] Has . . . , in your opinion, an

hereditary predisposition to any disease? And if so, what is it?

9. [*Health.*] Do you believe that ... is now in good health?

10. [*Habits.*] Is ... now sober and temperate? Has ... always been so?

11. [*Pursuits.*] Are the party's habits active or sedentary?

12. [*Constitution.*] Do you believe that ... possesses a healthy constitution?

13. [*Longevity.*] What, in your opinion, is the party's prospect for longevity?

Dated at, 186.. (Signed)

3. *Intimate Friend's Certificate.*

[*Acquaintance; habits; health; hazard.*] I certify, that I have been personally acquainted with, of, during the last years, and do believe that ... habits of living are temperate, and that ... is now in good health, and does ordinarily enjoy good health, and that I know of no constitutional infirmity, or other circumstances affecting ..., calculated to make an insurance on ... life more than usually hazardous.

Dated at, this day of, 186..

(Signed)

4. *Examining Physician's Examination and Statements.*

THE LIFE INSURANCE COMPANY, OF

Examination of, day of 186..

1. [*Description ; habits.*] Height, figure, weight, temperament, general appearance, and habits of life.

2. [*Residence elsewhere ; army.*] Whether any residence in Southern, tropical, or other foreign climates ; and if so, what effect, if any, was produced on the constitution and health? NOTE.—If applicant has been in the army, state its effects on his habits ; also, his occupation before and since his connection with the army.

3. [*Nervous system.*] Any affection, functional or organic, of the head, or of any part of the nervous system? Has there been any apparent predisposition to disease of brain or spinal cord, as indicated by conformation, family history, occupation or habits?

4. [*Respiratory system.*] Is respiration full, easy, gentle and regular? How many inspirations per minute? Is the inspiratory murmur full and healthy, and to be heard alike over both lungs? State any departure from a healthy condition, if it exist.

5. [*Cough ; catarrh.*] Is the party subject to cough, catarrh, a vitiated expectoration, or difficulty of breathing? If so, what is its cause?

6. [*Action of heart.*] Rate, strength, and volume of the pulse. Is the heart's action uniform, free and unobstructed?

Are its sounds and impulses healthy? If not, describe (particularly) any departure from a normal condition.

7. [*Other organs.*] Are either the stomach, liver, spleen, kidneys, intestinal canal or urinary organs now diseased, or have they been? NOTE.—If applicant be a female, state present condition of uterine functions; and if married, the number and character of her labors.

8. [*Mechanical injury; constitutional disease.*] Has the party ever suffered from serious mechanical injury? If so, when, and what is its present condition? From severe or acute constitutional disease; if so, what?

9. [*Parents.*] If either, or both parents are not living, state the disease of which they died, and their age at the time of their death.

10. [*Hereditary disease.*] Any predisposition, either hereditary or acquired, to constitutional disease? if so, state particularly what.

11. [*Safety of risk.*] Do you consider the party's life safely insurable? Do you advise that a policy be issued?

(Signed), Examining Physician.

NOTE.—For an intelligent decision as to the insurability, or otherwise, of applicants, the directors depend much upon the certificates of their medical examiners; they therefore expect that their answer to each question will be full, explicit, and so far as possible, exact; and no certificate failing to conform substantially to this requirement, will be accepted. Please read circular, and write legibly and with black ink.

5. *Life Insurance Policy.*

THE LIFE INSURANCE COMPANY, OF

No.; annual premium, \$....; term,; sum insured, \$....

[*Parties; premium; amount of insurance; for whose use; when, where, and to whom payable; term; deductions.*] This policy of insurance witnesseth, that the Life Insurance Company, of, in consideration of the sum of dollars and cents, to them in hand paid by, of, and of the annual premium of dollars and cents to be paid on or before the day of, in every year during the continuance of this policy, do insure the life of, of, in the county of, State of, for the sole use of the said, in the amount of dollars for the term of the whole continuance of ... life.

And the said company do hereby promise and agree to and with the said insured, ... executors, administrators, and assigns, well and truly to pay or cause to be paid, at the city of, the said sum insured to the said assured, ... executors, administrators, or assigns, for ... sole use, within ninety days after due notice and proof of the death of the said, deducting therefrom all notes taken for premiums unpaid at that date. And in case of the death of the said before the decease of the said, the amount of said insurance shall be payable after ... death, to ... children, for their use, or to their guardian, if under age, ninety days after notice and proof of the death of the said, as aforesaid.

[*Conditions of policy; travel; military and naval service; employments; intemperance; suicide; dueling; violating law, etc.*] Provided always, and it is hereby declared to be the true intent and meaning of this policy, and the same is accepted by the insured upon these express conditions, that in case the said shall die upon the seas, or shall, without the consent of this company, previously obtained and endorsed upon this policy, pass either by sea or land, beyond the settled limits of the United States, (excepting by land into the settled limits of the British Provinces of the two Canadas, Nova Scotia, or New Brunswick,) or visit those parts of the United States which lie south of the thirty-sixth degree of north latitude, between the first of June and the first of November, or shall, without such previous consent thus endorsed, visit California or Oregon, or pass into the territories of the United States lying west of the twenty-first meridian of longitude from Washington, or shall, without such previous consent thus endorsed, enter into any military or naval service whatsoever, (the militia not in actual service excepted); or shall, without such previous consent thus endorsed, be personally employed as an engineer or fireman in charge of a steam engine, or as conductor or brakeman upon a railroad, or as an officer, hand or servant of any steam vessel, or in the manufacture or transportation of gunpowder, or in case . . . shall become so far intemperate as to impair . . . health or induce delirium tremens, or shall die by . . . own hand, or in a duel, or in consequence thereof, or by the hands of justice, or in the known violation of any law of the States, or the United States, or of any government where he may be, this policy shall be void, null, and of no effect.

[*Truth of proposal; answers, and declaration; non-payment of premiums.*] And it is also understood and agreed, to be the true intent and meaning hereof, that if the proposal, answers and declaration, made by the said, and bearing date the day of, 186.., and which are hereby made part and parcel of this policy, as fully as if herein recited, and upon the faith of which this agreement is made, shall be found in any respect untrue, then and in such case this policy shall be null and void; or in case the said insured shall not pay the said annual premiums on or before the several days hereinbefore mentioned for the payment thereof, then and in every such case the said company shall not be liable to the payment of the sum insured, or any part thereof; and this policy shall cease and determine.

And it is further understood and agreed, that this policy shall not take effect and become binding on said company, until the premium above named shall be actually paid to said company, or to some person authorized by them to receive it.

[*Forfeiture of payments and credits.*] And it is further agreed, that in every case where this policy shall cease or become or be null or void, all previous payments made thereon and all dividend credits accruing therefrom shall be forfeited to the said company.

[*Execution clause.*] In Witness Whereof, The said Life Insurance Company have, by their President and Secretary, signed and delivered this contract in the city of, this day of, one thousand eight hundred

and sixty-....; but the same shall not be binding until countersigned by, agent at

....., Secretary., President.

Countersigned at, this day of, 186..
....., Agent.

Instruction to policy holder for payment of premium.

(Printed on the Policy.)

The annual premium, required to continue this policy in force, must be paid on or before the day of the date of the same; or the insurance ceases, and the policy is void. The only evidence of payment of such premium, which will be acknowledged by the company as valid and binding, is a certificate of renewal, signed by the Secretary of the company. Certificates for this purpose will be furnished (for delivery to policy holders,) to those agents of the company who are authorized to collect premiums on account of the company; but as such authority is liable to frequent changes, and subject to be revoked without the knowledge of the insured, and as persons not so authorized may solicit payment of premium, representing that their receipt or endorsement will renew the policy, the policy holders are cautioned not to pay renewal premiums to any person, except upon delivery of a renewal certificate, issued from the office of the company, and signed by the Secretary. This caution is important to policy holders, to prevent payments being made to irresponsible persons, or those not authorized by the company to receive them, thereby not only losing the money paid, but forfeiting the insurance also.

For the convenience of policy holders, these renewal certificates will be furnished to the agents through whom the policy was issued, or at the location where it was last renewed, to be delivered upon the payment of the premium, unless otherwise directed by the insured; but the possession of the renewal certificate is the only evidence to the policy holder, of the authority of the agent to receive the premium.

Regulations concerning proof of death, and other matters.

(Furnished to policy holders, but not printed on the policy.)

[*When and where claim payable; proofs required; receipts on payment.*] Claims on policies will be paid at the office of the company, at the expiration of ninety days after satisfactory proof of the death of the party is furnished and approved. The proofs required are, 1st, a certificate from the physician who attended the party during his last sickness, stating particularly the nature of the disease, its duration, and the time of death; 2nd, a certificate of a disinterested acquaintance of the deceased, certifying to the age and the time and fact of his death, and that he or she was the person insured by that name in this company; 3rd, a certificate from the undertaker, sexton or clergyman, who officiated at the funeral of the deceased, and saw the body interred. These several certificates should be sworn to before a magistrate or other officer, qualified to administer an oath or affirmation.

When the policy is in the name of a wife on the life of her husband, her receipt on the policy surrendered, is all that is required; but when a party insures his own life, in

case of loss, the policy must be discharged by an executor or administrator legally authorized to settle the estate, and the official certificate of the probate judge, or surrogate of the county, to that effect, must be presented at the office of the company, with the policy, receipted by the executor or administrator.

[*Various terms of insurance.*] Insurance may be made on a single life, for one or more years, or for the whole continuance of life, by annual payments, or by one single payment. Also, on two or more joint lives, payable when either shall fail, or at the death of the last.

Insurance may be made payable on the attaining a given age, or sooner in the event of death.

Insurance may also be effected, for the whole term of life, conditioned upon payment of ten annual premiums, (after which no more payments are required,) with participation in profits so long as premiums are paid. These policies may be converted into paid-up or non-forfeiture policies, at any time after two or more premiums have been paid.

[*Who may effect insurances.*] Creditors may insure their debtors for their own benefit, to the amount of their indebtedness; or debtors themselves, for the protection of their creditors.

An insurance may be made on the life of a party, A, payable at his death, provided another party, B, survives him; that is, a husband may insure his life for the benefit of his wife, provided she survives him.

A married woman may insure the life of her husband for her sole benefit, secure from the claims of *his* creditors.

Should she die before her husband, the insurance would enure to her children, for their sole use and benefit.

Insurance will be made on the lives of military and naval officers, off or on duty, *in time of peace only*; the premium in every instance to be determined according to the greater or less hazardous nature of the risk.

[*Premium notes; neglect to pay premium; interest on notes; maximum amount.*] The premiums are to be paid annually in advance. When the premium amounts to \$50, or more, on a policy for the whole continuance of life, a note, bearing six per cent. interest, may be given, for one-half the amount, to remain a debt on the policy until payment is called for, or it is canceled by dividends. A neglect to pay the annual premium, when due, makes void the policy, but in such cases, the directors may, at their discretion, revive the policy, upon satisfactory evidence that the party *remains in sound health*, and is such a risk as would be accepted on a primary application. All premiums are required to be paid in advance, and premiums for extra risks, or on short term policies, or on whole life policies where the amount is less than \$50, are required to be paid all in cash. No dividends allowed on term policies, or on the premium paid for extra risks.

Interest on notes given for premium is to be paid annually in cash, and all premium notes are a lien on the policies for which they are given, until canceled by the dividends, and should be signed by the parties to whom such policies may be transferred.

No greater amount than \$10,000 is taken on any one risk, and no risk is taken on a person over sixty years of

age. The age of parties to be insured is estimated at the nearest birthday, and care should be used to state correctly the date of birth.

[*Travel permits.*] Persons insured in this company are permitted to travel or reside in any of the United States or territories lying north of the southern line of Virginia, (or $36^{\circ} 30'$ north latitude,) and east of the 100th meridian of longitude west from Greenwich, or any of the British North American Provinces, east of said longitude, at *all* seasons of the year, without extra charge of premium. And from the first day of November to the first day of June, policy holders are permitted to travel or reside in any part of the United States or the British Provinces, east of the 100th meridian of west longitude, without payment of extra premium. For permission to travel or reside in the States south of Virginia during the months of July, August, September and October, an extra premium will be required, graduated to the extra hazard of the locality desired. For residence in the States and territories west of the 100th degree of west longitude, or in foreign countries, an extra premium will be charged, in accordance with the climate and location.

For voyages on the seas, permission must be obtained at the office of the company, for which a small extra premium is charged, graduated according to the risk of the proposed voyage; but policy holders are permitted to travel by the usual means of public conveyance, on any of the rivers, bays, sounds and lakes in the United States, (excepting in the Southern States during the summer months as above specified,) without extra premium.

The foregoing five forms, and the accompanying instructions and regulations are used by the Connecticut Mutual Life Insurance Company, of Hartford.

6. *Application for Life Insurance.*

TO THE LIFE INSURANCE COMPANY, OF

Particulars required from persons proposing to effect insurances on lives in this company, and which it is hereby mutually agreed do form a part of the contract with the company.

1. *The applicant.*] Name of the person whose life is proposed to be insured. (Write the name in full.) Occupation, Residence: place,; county,; State, Place of business, (In giving the occupation of the person, it is not sufficient to state (for example) that he is a merchant or mechanic, but the particular branch of business, or the actual trade must be specified.)

2. [*Prior Insurance.*] Are you now insured in this company? If so, what are the numbers and amounts of the policies? If you are not now insured, but have been heretofore, state the number of the policy. (Give the number of each policy and the amount insured thereby separately.)

3. [*Amount.*] Sum to be insured? \$. . . .

4. [*Kind of policy.*] What kind of a policy do you desire? (A policy, premiums payable until death? or

paid up in five or ten years? or endowment, payable until age specified? or, paid up in ten years?)

5. [*Premiums, when payable.*] Do you agree to pay the premiums annually, semi-annually, or quarterly? (Annually is preferable, if it can be done.)

6. [*Birth.*] Give the date and place of your birth. Year,; month,; day,; State or country,; town, city or county,

7. [*Age; marriage.*] What will be your age next birthday? Are you married or single?

8. [*Residence.*] Have you ever resided out of the United States? If so, where, and for what period?

9. [*Residence elsewhere.*] If you have ever resided south or west of the southerly line of Virginia and Kentucky, have you been acclimated? If so, how?

10. [*Parents.*] Is your father alive, or dead? Is your mother alive, or dead? If alive, at what age?; state of health,; ages at death,; causes of death,

11. [*Brothers and sisters.*] How many brothers have you had? How many sisters have you had? Total number,; how many are living?; what are their ages?; state of health of each,; how many are dead?; ages at death,; causes of death,

12. [*Hereditary diseases.*] Has your family been subject to any hereditary disease? Have your ancestors generally reached old age?

13. [*Particular diseases.*] Have you ever had any of

the following diseases: Spitting of blood, liver complaint, consumption, yellow fever, rheumatism, palpitation, bronchitis, small pox, paralysis, apoplexy, insanity, scrofula, rupture, fistula, asthma, dropsy, colic, fits, gout, palsy, disease of the heart, disease of the urinary organs, or of any other vital part? If so, state which, how recently, and the full particulars.

14. [*Serious illness; vaccination.*] Have you ever had any serious illness, local disease, or personal injury? If so, of what nature? Have you ever been vaccinated?

15. [*Nervous system.*] Are the functions of your brain, nervous and muscular systems, heart, lungs, abdominal and urinary organs in a healthy state? And are you, to the best of your knowledge and belief, free from any disorder, infirmity, or weakness, tending to impair your constitution and shorten your life?

16. [*Habits.*] Are your habits of life correct and temperate? Have they always been so?

17. [*Medical attendant.*] Name and residence of your usual medical attendant? Has known me years.

18. [*Intimate friend.*] Name and residence of an intimate friend? Has known me years.

19. [*For whose benefit.*] For whose benefit is the insurance to be effected? (Write all names in full.) Relationship to life to be insured, Residence: place,; county,: State, Occupation,

Declaration by Insured.

[*Omissions, concealment, etc.*] It is hereby affirmed and declared by the applicant above named, and also

by, the person whose life is proposed for insurance, that the answers to all of the above questions are true and correct, and that no intentional omission, concealment, or mental reservation, has been made of any material facts or circumstances relating to the past or present health, habits, or condition, or the family history of the said

[*Interest of applicant.*] It is also declared that the above named applicant . . . an interest in the life of the said, to the full amount of dollars above applied for.

[*Conditions under which policy becomes void.*] And it is hereby expressly stipulated and agreed, that the above application and this declaration, shall form the basis of the contract between the above named persons and the said the Life Insurance Company, of, and that if any misrepresentations or fraudulent and untrue answers have been made; or if any facts which should have been stated to the company have been suppressed therein; or if any violation of the covenants, conditions, or restrictions of the policy (should one be issued,) shall occur; or any omission or neglect to pay any of the premiums on or before the days on which they shall fall due shall take place; that then, in either event, the said policy shall become and be null and void, and all moneys which shall have been paid, and also all dividends which may have accrued thereon, shall be forfeited to the said company for its sole use and benefit.

[*Disease; habits; medical attendant; friend.*] And the said further declares, that he is not now afflicted with any disease or disorder, and that he does not now, nor

will he. practice any pernicious habit that obviously tends to the shortening of life; also, that the medical referee and the friend above named are fully competent and empowered to give information as to his past and present state of health, and other matters contained in this application.

Signatures of the applicants or the persons for whose benefit the insurance is applied for.

Signature of the person whose life is proposed for insurance.

Dated at , this day of , 186..

Signed in the presence of , witness.

Instructions.

[*Signatures.*] A husband may sign for his wife, thus: "Mary White by John White," if it be inconvenient to procure her own signature.

When a creditor insures the life of a debtor, both must sign.

When insurance is desired for the benefit of minor children, it should be signed "John White, guardian (or trustee) for Anna B., Lucy M., and Alice White, my children," (or "children of")

It is the duty of the agent to see that the names of the parties are plainly written and correctly spelled; also, that the signatures shall correspond precisely to the names as written in the answers to questions 1 and 19: and also to see that no error is made in giving the age.

The full names of all the parties must be written plainly and distinctly, especially the Christian names, which must

not be abbreviated ; and every question must be fully answered.

[*Age.*] The family record of the party should always (when possible) be consulted before stating the age, to avoid error. When a person wishes to be insured for his own benefit, question 1 only is to be answered ; but if for the benefit of any other person or persons, question 19 must also be answered.

[*Alteration of policies.*] Changes in the manner of paying premiums (as from yearly to half-yearly or quarterly, or the reverse) can only be made at the end of a year, dating from the commencement of the policy ; and when such a change is desired by a policy holder, the policy must be forwarded to the office of the company for the proper and requisite endorsement.

A change of interest in a policy can only be made on the written request of the legal owner of the policy, and with the consent of the company. The dates of payment cannot be changed after a policy has been issued, and the amount insured can only be increased (if desired) by a new policy. The fiscal (or business) year of the company closes on the 31st of January. A policy issued in any year must be dated within that year ; it cannot be dated prior to the commencement, or subsequent to the close, of the fiscal year of the company.

[*Revenue stamps.*] No charge is made by the company for the revenue stamp, on a policy when first issued ; but when a policy is restored or altered at the request of the holder, the revenue stamp required on the new form must be paid for by him.

[*Assignments.*] A wife cannot legally assign a policy made in her favor.

When a policy is issued to a person on his own life, and afterwards assigned by him, written notice of such assignment must be given to the company for registration on its books.

All assignments, to be valid, require a revenue stamp equal in value to that on the policy.

[*Extra rates.*] Permits are required for travel or residence beyond the limits assigned in the policy, and for hazardous occupations; for which application must be made to the principal office. Extra rates, in such cases, are always charged as a percentage on the amount insured, and not on the amount of premium. An extra rate of $\frac{1}{2}$ of 1 per cent. is charged on the lives of females under the age of 48.

[*Receipts for premiums.*] Receipts for premiums, to be valid, must be issued from the office, and be signed by the President, Secretary, Cashier, or Actuary.

[*Surrender of policies, etc.*] Should the original motive for effecting an insurance in this company cease, the party may, on application, surrender his policy, for an equitable consideration, which will be paid to him in cash by the company. Or, if it is found inconvenient to continue the payment of the annual premium, the company will grant a new policy, which, without further payment, will insure to the representatives of the party at his death, a reversionary sum equivalent to the present value on surrender of the original policy.

Recommended by, Local Agent at Approved by, General Agent at

On the back of this application is printed the New York Married Women's Act, as follows. Similar acts have been passed in many of the States.

AN ACT for the benefit of married women in insuring the lives of their husbands.

(Passed April 14th, 1858—as amended March 23th, 1862.)

The People of the State of New York, represented in Senate and Assembly, do enact as follows: SEC. 1. It shall be lawful for any married woman, by herself, and in her name, or in the name of any third person, with his assent, as her trustee, to cause to be insured, for her sole use, the life of her husband for any definite period, or for the term of his natural life; and in case of her surviving her husband, the sum or net amount of the insurance becoming due and payable by the terms of the insurance, shall be payable to her, to and for her own use, free from the claims of the representatives of the husband, or of any of his creditors; but such exemption shall not apply where the amount of premium annually paid out of the funds or property of the husband shall exceed three hundred dollars.

SEC. 2. The amount of the insurance may be made payable, in case of the death of the wife before the decease of her husband, to his or to her children, for their use, as shall be provided in the policy of insurance, and to their guardian if under age.

7. *Statement of Mutual Friend.*

THE LIFE INSURANCE COMPANY, OF

Questions, each of which is to be answered by the friend of the party applying for insurance.

1. [*Length of acquaintance.*] How long have you known

2. [*Habits.*] Are his general habits of life temperate? Have they always been so?

3. [*Exercise.*] Is he accustomed to much exercise, or is he sedentary?

4. [*Family diseases.*] Have his parents, brothers or sisters, to your knowledge, been afflicted with mental derangement, pulmonary complaints, or any constitutional or hereditary predisposition to disease, that tends to shorten life?

5. [*Serious disease.*] Has he been afflicted with any serious disease?

6. [*Mental derangement.*] Has he been afflicted with any mental derangement?

7. [*General health.*] Do you esteem him a healthy man, and free from any circumstance tending to shorten life?

8. [*Present health.*] Do you believe him to be now in good sound health?

9. [*Residing South.*] If residing south of the southerly line of Virginia and Kentucky, has he been acclimated? If so, how?

10. [*Constitution.*] Is his constitution healthy, and are his habits and circumstances such as to render his life safely insurable?

(Signed)

Dated at, this day of, 186..

8. *Medical Attendant's Statement.*

THE LIFE INSURANCE COMPANY, OF

Questions, each of which is to be answered by the physician of the person applying for insurance.

(The physician is expected to give any additional information upon the application which he may possess, even though it be not embraced in the answers to the queries annexed.)

1. [*Length of acquaintance.*] How long have you known

2. [*Medical attendance.*] Have you been in the habit of seeing him frequently, and giving him medical attendance; and for what diseases? How recently have you attended him?

3. [*Present health.*] Is he now in good health?

4. [*Habits.*] Is he sober and temperate? Has he always been so?

5. [*Family diseases.*] Has his family, or has he himself, been afflicted with pulmonary complaints, scrofula, insanity, or any constitutional or hereditary disease? Have his family, or has he, any such predisposition?

6. [*Particular complaints.*] Has he, at any time, been afflicted with insanity, gout, rheumatism, dropsy, palsy, apoplexy, disease of the heart, aneurism, rupture, fistula, spitting of blood, affection of the lungs or other viscera, or with any organic disease?

7. [*Pulse.*] Is his pulse soft and regular? What is its rate? Does it, to your knowledge, ever intermit or become irregular?

8. [*Vital functions, serious injury, etc.*] Are the functions of his brain, nervous and muscular systems; his lungs, his heart; his abdominal and urinary organs, in a healthy condition? Has he ever had disease of these organs? Has he had any serious injury or illness? If so, what effect has it had on his constitution?

9. [*Constitution.*] Is his constitution healthy, and are his habits and circumstances such as to render him safely insurable?

(Signed)

Dated at, this day of, 186..

Additional remarks,

9. *Medical Examiner's Statement.*

THE LIFE INSURANCE COMPANY, OF

Questions, each of which is to be answered by the medical examiner of the company.

(N. B.—It is of course understood that the medical gentleman is at liberty to put such other questions, bearing

upon the case, as he may think proper, and that the whole examination will be thorough, exact, and circumstantial.)

1. [*Person examined.*] Name and residence of the person examined?

2. [*Particular description.*] State his approximate weight, height, circumference of chest, figure, and general appearance.

3. [*Lungs.*] Is the respiratory murmur clear and distinct over both lungs? Is the character of the respiration full, easy, and regular? Are there any indications of disease of the organs of respiration or their appendages?

4. [*Heart.*] Is the character of the heart's action uniform, free, and steady? Are its sounds and rhythm regular and normal? Are there any indications of disease of this organ, or of the blood vessels?

5. [*Pulse.*] State the rate and other qualities of his pulse? Does it intermit, or become irregular or unsteady?

6. [*Cough.*] Is he subject to cough, expectoration, difficulty of breathing, or palpitation?

7. [*Brain.*] Are the functions of his brain, and his muscular and nervous systems in a healthy state?

8. [*Abdomen.*] Are the functions of his abdominal and urinary organs in a like healthy condition?

9. [*Predisposition to disease.*] Has he any predisposition, either hereditary or acquired, to any local or constitutional disease?

10. [*Habits.*] Do you believe him to be sober and temperate in his habits of life?

11. [*Hereditary diseases.*] Have his parents, brothers, or sisters, been afflicted with pulmonary or other diseases hereditary in their nature?

12. [*Severe injury, etc.*] Has he ever had any severe injury or illness? If so, has it had any effect upon his constitution?

13. [*Safety of risk.*] Do you consider his life safely insurable; and do you recommend that a policy be granted?

(Signed)

Dated at, this day of, 186..

Additional remarks,

10. *Application for Child's Endowment.*

THE LIFE INSURANCE COMPANY, OF

Particulars required from persons proposing to effect children's or youths' endowments in this company, and which form a part of the contract.

The day of, 186..

1. [*Applicant; description; relation.*] Name, at full length, of the party in whose favor the endowment is desired,; residence,; place of business,; in what relation to the party to be insured,; trustee, guardian, or parent,

2. [*Party to be insured.*] Name at full length of the party to be insured,; residence,

3. [*Other Insurance.*] Are there any endowments or other policies now in force on the life of the party to be insured? If so, for what amounts?

4. [*Amount.*] Amount of the endowment desired?
.... dollars.
5. [*To whom payable.*] To whom is the insurance to be paid when it matures?
6. [*When payable.*] At what age payable, whether at 18, 21 or 25,
7. [*Premium.*] Premium, how payable; annual or semi-annual,
8. [*Birth.*] Place and date of birth?; year,; month,; day,
9. [*Age.*] Age next birthday,
10. [*Parents.*] State if the party's parents are alive; what are their ages and state of their health? Father's age,, mother's age,; state of health, if living, If dead, at what ages and of what diseases did they die? Age at death,; cause of death,
11. [*Brothers and sisters.*] How many brothers and sisters has the party had? Brothers,; sisters, How many of them are dead? And at what ages? Of what diseases did they die?
12. [*Hereditary disease.*] Have the party's parents, brothers or sisters been afflicted with pulmonary, scrofulous, or any other constitutional disease, hereditary in its character?
13. [*Vaccination, etc.*] Has the party been vaccinated? Has the party had the small pox?
14. [*Particular diseases.*] Has the party to be insured, had measles, whooping cough, scarlet fever, diphtheria,

croup, or the diseases peculiar to the district in which he resides?

15. [*Serious illness.*] Has the party had any serious illness, local disease or personal injury, and if so, of what nature?

16. [*Vital functions.*] Are the functions of the brain, the nervous and muscular systems, the lungs, heart, the abdominal and urinary organs in a healthy state?

17. [*Medical attendant.*] Name and residence of party's usual medical attendant,

18. [*Fraud.*] Are the party or parties in interest aware that any untrue or fraudulent answers to the above queries, or neglect to pay the premium on or before the day it becomes due, will vitiate the policy, and forfeit all payments made thereon?

Witness, (Signed)

Approved and recommended by, Agent.

11. *Applicant's Declaration for Child's Endowment.*

THE LIFE INSURANCE COMPANY, OF

Declaration, to be made and signed by the person, parent, guardian or trustee proposing to make a child's or youth's endowment insurance.

I,, of, in the county of, in the State of, one of the persons named in the preceding application, being desirous of effecting an endowment with the

.... Life Insurance Company, of, in the sum of dollars, upon the life of, of, in the county of, in the State of, the other person described in the preceding application, during and until he shall become years of age, do hereby declare, that the said party was born on the day of, 18...., and on his next birthday, will be years of age; that the several answers given by me, or by the family physician, in this application for an endowment policy, are true and correct; that he is not now afflicted with any disease, but is of good constitution, and is in sound health.

Dated this day of, in the year of our Lord one thousand eight hundred and sixty-....

(Signed)

Witness to the signing hereof,

12. *Physician's Statement for Child's Endowment.*

THE LIFE INSURANCE COMPANY, OF

Questions, each of which is to be answered by the physician of the party applying for endowment.

(The physician is expected to give any additional information upon the application, which he may possess, even though it be not embraced in the answers to the queries annexed.)

1. [*Acquaintance and attendance.*] How long have you known? Have you been in the habit of seeing ... frequently, and giving ... medical attendance, and for what disease, and if so, how long since?

2. [*Present health.*] Is . . . now in good health?

3. [*Family diseases.*] Has the party's family, or has this party been afflicted with pulmonary complaints, scrofula, insanity, or any constitutional or hereditary disease? Have the party's family, or has . . . any such predisposition?

4. [*Diseases of childhood.*] Has . . . had the diseases incident to childhood?

5. [*Vital organs.*] Are the functions of the brain, nervous and muscular systems; the respiratory, circulating, abdominal and urinary organs, in a healthy condition? Has the party ever had disease of these organs? Has . . . had any serious injury or illness? If so, what effect has it had on the constitution of the party?

6. [*Constitution.*] Is the party of good constitution, and now in sound health?

(Signed)

Dated, 18...

13. *Policy of Life Insurance.*

THE LIFE INSURANCE COMPANY, OF

Number, Amount, Age,

[*Consideration.*] This policy of insurance witnesseth, that the Life Insurance Company, of, in consideration of the representations made to them in the application for this policy, and of the sum of dollars, and cents, to them duly paid by, and of the-annual payment of a like amount on or before the

.... day of, in every year during the continuance of this policy.

[*Insurance clause.*] Do insure the life of the said, of, in the county of, State of, in the amount of dollars, for the term of ... natural life.

[*Payment clause.*] And the said company do hereby promise and agree to pay the amount of the said insurance at their office in the city of, to the said insured, ... executors, administrators or assigns, in sixty days after due notice and proof of the death of the said, the balance of the year's premium, if any, being first deducted therefrom.

[*Conditions of policy; travel; business; violating laws; false statements, etc.*] This policy is issued, and accepted by the insured, upon the following express conditions and agreements: 1st. If the said shall pass beyond the settled limits or the protection of the Government of the United States (excepting into the settled limits of the two Canadas, Nova Scotia or New Brunswick); or west of the 100th degree of west longitude; or north of the 50th degree of north latitude; or, between the 1st of July and the 1st of November, south of the parallel of 36° 30' of north latitude; or within ten miles of the Mississippi or Missouri rivers (except while journeying,) between the parallels of 36° 30' and 39° north latitude; or shall enter upon a voyage upon the high seas; or shall be personally engaged in blasting, mining, submarine operations, or the production of highly inflammable or explosive substances; or in working or managing a steam engine in any capacity; or as a mariner, engineer, fireman, conductor,

or laborer in any capacity, upon service on any sea, sound, inlet, river, lake or railroad; or enter any military or naval service whatsoever, (excepting into the militia when not in actual service); without the consent of this company, in each or either of the foregoing cases, previously given in writing; or if he shall die by his own hand, or in, or in consequence of, a duel, or of the violation of the laws of any nation, state or province; or if he shall aid or abet any insurrection against the State of, or the United States, or perform any labor or service, civil or military, in aid of such insurrection; or, if any of the statements or declarations made in the application for this policy, upon the faith of which this policy is issued, shall be found in any respect untrue, then and in every such case this policy shall be null and void.

[*Payment of premium.*] 2nd. If the said premiums shall not be paid on or before the days above mentioned for the payment thereof at the office of the company in the city of (unless otherwise expressly agreed in writing,) or to agents when they produce receipts signed by the President or Secretary, then, in every such case, the said company shall not be liable for the payment of the sum insured, or any part thereof, and this policy shall cease and determine.

[*Forfeiture of payments.*] 3rd. In every case when this policy shall cease and determine, or become or be null and void, all payments thereon shall be forfeited to this company.

[*Assignment of policy.*] 4th. If this policy should be assigned or held as security, written notice shall be given to this company and due proof of interest produced with the proofs of death.

[*Execution.*] In Witness Whereof, the said the Life Insurance Company, of, have, by their President and Secretary, signed and delivered this contract, this day of, one thousand eight hundred and sixty-.....
, Secretary., President.

[*Note 1.*] Agents of the company are not authorized to make, alter, or discharge contracts, or waive forfeitures.

[*Note 2.*] Receipts heretofore by the company of premiums after the day on which they fell due, were by the insured and the company considered acts of grace or courtesy, and as forming no precedent in regard to future payments of premiums on the policy; and all future receipts by the company of premiums after due, are viewed and understood by the parties in interest as acts of courtesy of the company, and in no case to be considered a precedent or a waiver of the forfeiture of the policy, according to the condition expressed therein, if any future payment of premium be omitted on the day it falls due.

14. *Receipt for Premium.*

THE LIFE INSURANCE COMPANY, OF
, 186..

Received from dollars for the premium on policy No., from the day of, 186.. to the day of, 186.. (for terms of mutual agreement see policy.)

\$.....

....., Secretary.

[*Notice to policy holders.*] The agreement is mutual, (see application and policy,) that unless the premium is paid on or before the day it becomes due, the policy is forfeited and void. Agents are not authorized to make, alter or discharge contracts, or waive forfeitures. Payments of premiums to agents are not valid unless receipts be given, signed by the President or Secretary. When receipts are sent to agents for delivery, such agents shall countersign the same as evidence of payment to them. All premiums are due and payable at the office in For the convenience of the insured they may be made to an agent, but only upon the production of the receipt above specified.

....., President.

15. *Proofs of Death.*

THE LIFE INSURANCE COMPANY, OF

Attending Physician's Statement.

Name of the deceased, Residence, Occupation, Were you ... attending physician? If death ensued from disease, state its proximate and remote cause; if in any other manner, give the medical and other facts connected with the case, State the duration of the sickness, State the date of death,

Dated this day of, 18... ..

Certificate of Oath.

State of, county of, ss.

On this day of, 18..., before me came the above named, known to me as a physician in regular standing, and made oath that the answers by him given

to the foregoing questions are true and full, to the best of his knowledge and belief

Sworn and subscribed before me the day and year first above written.

.....

Friend's Statement.

Name of the deceased, Residence, Occupation, Were you present at the time of death? Of what disease or from what cause did ... die? What was ... age at the time of death? Was ... personally known to you? Number of policy on deceased, Amount, \$

Dated this day of, 18...

Certificate of Oath.

State of, county of, ss.

On this day of, 18..., personally appeared before me the above named, to me known, and made oath that the foregoing statements, by ... made, are true and full, to the best of ... knowledge, recollection and belief

Sworn and subscribed before me the day and year first above written.

.....

Undertaker's Statement.

Name of deceased, Residence, Occupation, Date of birth, Age at death, Of what disease or from what cause did ... die? Place and date of death, Did you inter the above named?

Dated this day of, 18...

Certificate of Oath.

State of , county of , ss.

On this day of , 18. . . . , personally appeared before me the above named , to me known, and made oath that the foregoing statements, by . . . made, are true and full, to the best of . . . knowledge, recollection and belief.

Sworn and subscribed before me the day and year first above written.

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The foregoing forms 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, are used by the Mutual Life Insurance Company, of New York.

CHAPTER IX.

FORMS FOR ACCIDENT INSURANCE.

1. APPLICATION FOR POLICY.
2. FORM OF ACCIDENT POLICY.
3. PROOFS OF ACCIDENT, AND CLAIM FOR COMPENSATION.
4. PROOF OF DEATH.

1. *Application for Policy.*

.... ACCIDENT INSURANCE COMPANY, OF

Agent's No. Office No. Agency.

Form of Proposal for Insurance against Accidents.

Name, Whose benefit, (full name,) Age,
 Profession or occupation, Residence,

State if you have had paralysis, or fits of any kind,

Are you already insured in this company? and if so,
 how much?

Class of insurance required — general accident or travel-
 ers risk,

Whether ordinary or special risk,

Whether for death only, compensation only, or both, ...

Length of time,

Amount to be insured at death,

Amount of weekly compensation, — not exceeding
twenty-six weeks,

Premium,

Declaration.

[*Statements ; basis of contracts ; conditions.*] I,, being desirous of effecting an insurance with the Accident Insurance Company, of, do hereby declare that the above statement of my age, and other particulars, is true; and I hereby agree that this declaration shall be the basis of the contract between me and the Accident Insurance Company, and that I am willing to accept a policy for dollars, subject to the conditions prescribed by the company, and to be expressed in the policy.

Dated this day of , 186..

(Signed)

Witness,

2. *Form of Accident Policy.*

THE ACCIDENT INSURANCE COMPANY, OF

General Accidents.

[*Consideration ; peril ; sum.*] In consideration of dollars, the receipt of which is hereby acknowledged, the Accident Insurance Company, of, do hereby insure against loss of life or personal injury, in the sum of dollars.

[*Payments ; term ; death ; disability ; weekly compensation.*] To be paid to, or . . . legal representatives, within ninety days after sufficient proof that the insured, at any

time within months after the date of this policy, shall have sustained personal injury, caused by any accident within the meaning of this policy, and the conditions hereunto annexed, and such injuries shall occasion death within three months from the happening thereof. And if the insured shall sustain any personal injury which shall not be fatal, but which shall absolutely and totally disable him from the prosecution of his usual employment, then on satisfactory proof of such injury, compensation shall be paid to him for a period not exceeding altogether twenty-six weeks for any single accident, at the rate of dollars per week, so long as he shall be totally disabled as aforesaid, in consequence of such injury.

[*Declarations ; misrepresentation ; fraud ; concealment ; forfeiture of premiums.*] Provided always, that this policy is granted upon the express condition that the declarations of the insured, in his application for this insurance, (which is hereby referred to and made a part of this contract,) are true in all respects, and that if this policy or any renewal thereof has been or may be obtained through misrepresentation, fraud or concealment, then this policy shall become absolutely void, and all premiums paid in respect thereof be forfeited to the company.

[*Cause of injury ; exceptions ; carelessness, etc.*] Provided always, that no claim shall be made under this policy, by the said insured, in respect of any injury, unless the same shall be caused by some outward and visible means, of which proof satisfactory to the company can be furnished, and this insurance shall not extend to any injury caused by, or arising from natural disease, or by any surgical

operation rendered necessary by disease, or to any death or injury caused by dueling or fighting, or other breach of the law on the part of the insured, or by suicide, whether felonious or otherwise, or by war, riots or invasion, or happening while the insured is in a state of intoxication, or riding races, or by his willfully exposing himself to any unnecessary danger or peril.

[*Travel limits ; notice ; extra premium.*] Provided always, that if the insured shall travel as aforesaid, elsewhere than within the limits of the United States, the territories thereunto belonging, or the British North American Provinces, without giving notice to the company, or if, during the present civil war in this country, the said insured shall travel as aforesaid in any State or territory while such State or territory is in rebellion against the United States Government, without giving notice to the company, and paying such additional premium as may be required, (if the company shall agree to cover such risk,) then this policy shall become absolutely void, and no claim shall be made against the company in respect thereof.

[*Deductions.*] Provided always, that all sums which may from time to time be paid by way of compensation to the said insured, by virtue of this policy, shall be accounted in diminution of the sum hereby insured, so that in case of subsequent injury, whether fatal or otherwise, during the continuance of this policy, the total amount to be paid by the said company, shall not in any case exceed the principal sum hereby insured.

[*Commencement of term ; countersigning.*] This policy commences at 12 o'clock meridian, on the day of,

eighteen hundred and sixty-..., and shall not be valid until countersigned by the agent of said Accident Insurance Company at, and is subject to the following

Conditions.

1. [*Notice of changes.*] For the purpose of identification, due notice shall be given to the Secretary of the company, or the agent writing this policy, by the party insured, of all changes of residence, occupation or name, whether by marriage or otherwise.

2. [*Notice of death.*] In the event of injury, within the meaning of this policy, occurring to the insured, he, or, in case of his death, his legal representatives, shall, within ninety days thereafter, give notice in writing thereof to the company, at their office in, or to the agent writing this policy, together with a statement of the Christian, surname, occupation and address of the insured, with full particulars of the accident or injury.

3. [*Medical examination; evidence required.*] No compensation shall be payable under this policy unless any medical adviser of the company shall be allowed to examine the person of the insured on the occasion of any alleged injury, within the meaning of this policy, when and so often as the same may reasonably be required on behalf of the company, or unless such evidence as the company may from time to time require shall be furnished within the space of thirty days after demand, in writing, as to any alleged accident or injury on the ground of which a claim shall have been made against the company.

4. [*Arbitration.*] Any question as to the liability of the company to pay the sum insured by this policy, in the case of fatal accident, or to make any compensation at all in case of personal injury, or as to the amount of compensation or otherwise, however arising hereunder, shall, if the company or the insured or his legal representatives require it, be referred to arbitration.

5. [*Maximum \$10,000.*] The risk taken on any one life is limited to \$10,000; and no second insurance, whether effected by one of the company's railway insurance tickets or otherwise, which, together with the sum for the time being insured by this policy, shall exceed that amount, shall hold good as to the surplus insured above \$10,000.

[*Execution ; countersigning.*] In Witness Whereof, The . . . Accident Insurance Company have caused these presents to be signed by their President, and attested by their Secretary, at their office in the city of

Attest:, Secretary., President.

Countersigned at, this day of, A. D. 186.. . . ., Agent.

[*Stamp.*] This policy requires a twenty-five cent stamp for sums not exceeding one thousand dollars; exceeding one thousand dollars and not exceeding five, fifty cents; exceeding five thousand dollars, one dollar. By a decision of the Commissioner of Internal Revenue, a policy issued for *compensation only*, requires a five cent stamp *only*.

3. *Proofs of Accident, and Claim for Compensation.*

....., 186..

[*Oath of injury; claim.*] The undersigned, holder of policy No., issued by, agent at, for the Accident Insurance Company, of, being duly sworn, deposes and says, that on the day of, 186.., he received a disabling personal injury, caused by, And he hereby claims compensation for weeks, at the rate of dollars per week, being the weekly sum stipulated in said policy.

.....

Sworn before me this day of, A. D. 186..

.....

Attending Physician's Certificate.

I hereby certify, that I have examined and attended the aforesaid, and that his declaration is true to the best of my knowledge and belief. He has been totally disabled from business for a period of weeks.,

Attending Physician.

Insurance Surgeon's Certificate.

I hereby certify, that I have examined the case above mentioned, and corroborate the testimony of the attending physician.,

Surgeon of the Accident Insurance Co.

Insurance Agent's Certificate.

I hereby certify, that I am personally acquainted with the claimant and physician subscribing to the above certificates,

that I have investigated the case, and believe the insured to be justly entitled to the amount above claimed.

Agent of the Accident Insurance Co., at

NOTE.—Surgeons will please observe that the insurance is not granted against *partial* but *total disability*. The insured is not to receive compensation *for having accidents*, but for such serious injuries as result in *total incapacity for business*; thus paying for the *actual loss sustained*, and not for the *accident*, as such.

4. *Proof of Death.*

Attending Physician's Affidavit of Death, etc.

State of, county of, ss.

., of, being duly sworn, deposes and says he is a physician and surgeon; that as such he attended upon, of; that said was suffering from injuries received on the of, last, caused by; that said injuries caused the death of on the day of, 18. . . .

Attending Physician.

Sworn before me this day of, A. D. 18. . . .

Clergyman's Affidavit of Interment.

State of, county of, ss.

., of, being duly sworn, deposes and says, that he officiated as clergyman at the interment of, of, who was the identical person described in the above certificate.

Sworn before me this day of, A. D. 18. . . .

Sexton's Affidavit of Interment.

State of , county of , ss.

., of , being duly sworn, deposes and says, that he is a sexton at , and that he interred the dead body of, of , who was the identical person described in the above certificates.

Sworn before me this day of , A. D. 18.

Insurance Agent's Affidavit of Identity.

State of , county of , ss.

. . . . , of , being duly sworn, deposes and says, that he is the agent of the Accident Insurance Company, of , at ; that, of , now deceased, was the identical person whose life was insured in said company under policy No., issued by him as agent of said company, bearing date the day of , 18. . . . , and who was therein described as, of

Sworn before me this day of , A. D. 18.

Insurance Surgeon's Certificate.

I hereby certify, that I have examined the case above mentioned, and corroborate the testimony of the attending physician.,

Surgeon of the Accident Insurance Co.

Description of Accident.

NOTE.—The agent will please subjoin a full description of the accident.

The foregoing forms are used by the Travelers' Insurance Company, of Hartford, Connecticut. The Provident Life Insurance and Investment Company, of Chicago, use a similar application and policy, and somewhat more ample proofs of loss.

CHAPTER X.

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IMPORTANT MODERN CASES.
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1. SUICIDE — UNSOUND MIND.
2. CONSTRUCTION BY GENERAL COURSE OF TRADE.
3. PRINCIPAL OFFICE — PLACE OF CONTRACT.
4. VERBAL CONTRACT — POWER TO MAKE GUARANTY.
5. WAIVING RIGHT TO SUE — REPRESENTATION AS TO HEALTH.
6. NEGLIGENCE OF INSURED.
7. OPTION TO REBUILD — PREVENTION BY LOCAL LAW.
8. WARRANTY FREE FROM LIENS — MORTGAGES.
9. ASSESSMENTS ON PREMIUM NOTES — SURRENDER OF POLICY.
10. INSURANCE BY CREDITOR — INSURABLE INTEREST — STATUTE OF LIMITATIONS.
11. INSURANCE BY PARTNER — SPECIAL LIMITATION OF RIGHT TO SUE — GUNPOWDER — KNOWLEDGE OF AGENT.
12. EQUITABLE ASSIGNMENT OF INSURANCE MONEY.
13. DESCENT OF INTEREST OF INSURED TO HEIRS — RIGHTS OF ADMINISTRATOR.
14. RECEIPT OF PREMIUM — WAIVER OF PREPAYMENT.
15. PREMIUM FALLING DUE ON SUNDAY.
16. AUTHORITY TO LOAN MONEY.
17. TAX ON FOREIGN INSURANCE COMPANIES.

18. LOSS WITHOUT IGNITION — EXTENT OF INSURER'S LIABILITY.
19. WAIVER OF OBJECTIONS — MEANING OF "FORTHWITH"
— SEVERAL POLICIES — WHOLE PAYMENT, AND CONTRIBUTION.
20. MISREPRESENTATION AND CONCEALMENT — AGENT'S KNOWLEDGE, WAIVER OF CONDITIONS.
21. PARTIAL RECOVERY, PLEADING — WAIVER OF PROOFS — NEAREST MAGISTRATE — SPECIAL LIMITATION, HOW WAIVED.
22. POLICY ASSIGNED, WHO MAY SUE — RENEWAL RECEIPT — PROHIBITED USE — ESTOPPEL TO DENY INTEREST — MORTGAGE — ASSIGNMENT TO INSURER.

CASE I.

Breasted et al., etc. v. Farmers' Loan and Trust Company, 2 *Selden's Reports*, 299.

Suicide — Unsound Mind.

Death by suicide in a state of insanity or unsound mind, is not a death by the hand of the insured, within the meaning of the exception of death "by his own hand," contained in policies of insurance. Such death, to avoid the policy, must be with a criminal intent.

CASE II.

Mobile Marine Dock and Fire Insurance Company v. McMillan and Son, 3 *Am. Law Register*, 671, (*Alabama*.)

Construction by General Course of Trade.

It is a rule of construction, settled by numerous authorities, that every usage of trade which is so well settled, or so generally known, that all persons

engaged in that trade may fairly be considered as contracting with reference to it, is regarded as forming part of every policy designed to protect risks in that trade, unless, by the express terms of the policy, or by necessary implication, such inference is repelled.

The risk under a marine policy is at an end, whenever the goods can be considered as landed according to the usual course of business, at the accustomed port of destination, although they may never have been delivered into the hands of the consignee.

The obligation of the insurer is not to be confounded with that of the carrier.

CASE III.

Wright v. The Sun Mutual Ins. Co., of New York; The Same v. The Orient Mutual Ins. Co., of New York, 6 Am. Law Register, 485, (U. S. C. C., Maryland.)

Principal Office—Place of Contract.

The defendants were insurance companies, incorporated by the State of New York, and their offices were located in the city of New York. They had agents residing in the city of Baltimore, who received and forwarded to them all applications for insurance; and received and transmitted to them the notes given for the premiums from time to time, and through them the defendants made payments

of losses on policies held by persons residing in Baltimore. The policies in question had been executed by the defendants in the city of New York, and transmitted to their agents in Baltimore, by whom they were delivered to the plaintiff.

On this state of facts, the court held that the policies of insurance were contracts made, not in the city of Baltimore, but in the city of New York, and consequently that they must be construed and interpreted by the law and the usages of the latter place, there being no positive provision of the contracts that they were to be performed in the city of Baltimore.

CASE IV.

Constant v. The Alleghany Insurance Company, 3 Wallace, Jr.,
(U. S. C. C. West Div. Penn.) 10 Am. Law Reg. 116.

Verbal Contract — Power to make Guaranty.

The plaintiff, through a broker, applied to the defendants for an insurance on a boat for a definite amount, and was informed that "it would be taken." The defendants subsequently sent to the broker their own policy for a part, and the policies of three other companies for the residue, executed by an agent for the latter companies. The broker, on receiving the policies, wrote, in the absence of his principals, to the defendants, to say that he doubted whether the agency policies would be

accepted, alleging as a reason, that the particular agent had not a *good reputation* for "*settling losses*," and added, "*I don't know whether it is your custom to guarantee the offices you insure in, or not; if you do, I may prevail on*" the plaintiff "to hold the policies." The secretary of the defendants, in reply, wrote: "In handing the policies" to the plaintiff, "you can say that if the boat is not insured in *offices satisfactory* to him, we will have them *canceled*; but *though they are not re-insurances*, yet in case of loss we will *feel ourselves bound for a satisfactory adjustment*. We deem the companies good, and *if any parties can settle with them, we can*." On the faith of this letter the plaintiff closed the transaction. One of the substituted companies afterwards became insolvent, and, a loss having occurred, a special action on the case was brought against the defendant.

The court held: 1. That though by the charter of an insurance company it is provided that "every contract, bargain, and other agreement," in execution of the powers of the company, "shall be in writing or print, under the corporate seal, and signed by the president, or, in his absence or inability to serve, by the vice president or other officer, etc., and duly attested by the secretary or other officer, etc.," a parol agreement as to the terms on which a policy shall be issued, made by the president, secretary, or

other general agent of the company, may, nevertheless, be enforced specifically in a court of equity, which, in case of a previous loss, will be by a decree for the amount which would be due upon a policy duly executed.

2. But that a mere collateral agreement, which does not involve the execution of a policy of insurance, is not within the scope of the general authority of an officer or agent of such a corporation, and cannot be enforced.

3. That the secretary of the defendants had no general authority to bind them by a guaranty of the solvency of the substituted companies.

4. If he had, his letter did not amount to this, but only to an undertaking for a satisfactory determination of the amount of the loss, and its apportionment between the insurers.

CASE V.

Reichard v. The Manhattan Insurance Co., 31 *Missouri*, 518.

Waiving Right to Sue — Representation as to Health.

A policy of insurance contained the following provision :

“ I hereby expressly waive all right to bring any action for any claim whatever arising under any

policy issued to me on this application and declaration except in the courts of New York.”

The Supreme Court of Missouri held this provision to be void, as against public policy. It was also held to be in direct contravention of a statute of the State of Missouri regulating agencies of foreign insurance companies.

It was represented that the insured was sober, temperate, and in good health. The court held that this representation must be confined to the time of the issuing of the policy, and that the subsequent intemperance of the insured was immaterial, even though it might have caused his death.

CASE VI.

Johnson v. Berkshire Mutual Fire Ins. Co., 4 Allen, (Mass.) 388.

Negligence of Insured.

Mere negligence on the part of the insured, which is the direct cause of a loss by fire, is not a defense to an action on the policy, if he acted in good faith, and his negligence did not amount to recklessness and willful misconduct.

CASE VII.

Brady v. N. W. Insurance Co., 11 Mich. (Cooley) 425.

Option to Rebuild—Prevention by Local Law.

The plaintiff insured with defendants his wood warehouse, situate within the fire limits of Detroit.

The policy contained a stipulation that in case of loss or damage by fire, it should be optional with the company to rebuild or repair the building. A fire occurred which destroyed the roof of the building, but did not otherwise essentially injure it. The common council of Detroit refused plaintiff permission to repair, and the building was therefore nearly or quite worthless. Suit being brought on the policy, defendants claimed that they were only liable for such sum as would be sufficient to repair the building. *Held*, That the plaintiff was entitled to recover the whole amount insured.

CASE VIII.

Bidwell v. The North-Western Ins. Co., 10 *Smith (New York)*, 302.

Warranty Free from Liens — Mortgages.

In case of a marine policy of insurance "upon the whole tackle," etc., of a vessel, containing a warranty that "the property is free from all liens," parol evidence is admissible that the property insured was the owner's equity of redemption in the vessel which was subject to certain mortgages known to the insurer.

The existence of such mortgages is no breach of the warranty.

CASE IX.

Campbell, etc., v. Adams, 38 Barbour (New York), 132.

Assessments on Premium Notes — Surrender of Policy.

An assessment made upon a premium note should be made without reference to a former assessment still in force against the maker of the note, and as to which the assessing power of the insurance company is expended. If it includes such former assessment it will be irregular.

The surrender of a policy by the insured, and its cancellation by the insurance company, dissolves the relation of the insured as a member of the company, and the company has no further claims upon him, except for the unpaid assessments previously made.

CASE X.

Rawls v. The Am. Mutual Life Ins. Co., 13 Smith (New York), 282.

Insurance by Creditor — Insurable Interest — Statute of Limitations — Contract of Indemnity.

So much of the opinion of the court as relates to the foregoing points, is as follows :

The defendants in form contracted with Fish for an insurance upon his life. In consideration certain statements and representations of made,

ally and of a premium of \$117 to be paid annually in advance, the defendants promised and agreed with Fish, his heirs or other legal representatives, to pay the sum of \$5,000 to the plaintiff within ninety days after proof of the death of Fish, provided the policy should then be in force. If this is to be regarded and treated as a contract with Fish to insure his own life, then the question attempted to be raised on the motion for a nonsuit, viz., that the plaintiff had no insurable interest in the life of Fish, and hence that it was a gaming or wagering policy, cannot arise. If the contract is with the party whose life is insured, he may have the loss payable to his own representatives, or to his assignee or appointee, and whichever be the form, his own interest is the same.

It can only be by holding the policy in substance and legal effect, that of a creditor upon the life of his debtor, that an interest was necessary on the part of the plaintiff to support it.

I am inclined to regard the insurance as effected by the plaintiff on the life of Fish, though the policy in form purports to have been procured by the latter. The plaintiff applied for and obtained it, as the creditor of Fish, to protect his interest, as such creditor, in Fish's life. He took the initiatory steps for procuring the policy—the application

stated it to be for his benefit ; he paid the original and all subsequent premiums ; it was delivered to him and he sued upon it as the party in interest, and is the only party connected with the policy who could maintain an action upon it. It will therefore be treated as a contract in substance between the plaintiff and the defendants.

It is not at all necessary to discuss the question whether a policy obtained by a party having no interest in the life insured would be void, either at common law or under our statute against betting and gaming. It may be conceded that at common law it would be a wager policy and void ; although it was distinctly held in *Dalby v. The India and London Life Insurance Company*, in the Exchequer Chamber on error, 80 Eng. C. L. 365, s. c. 28 Eng. Law & Eq. Rep. 312, that such an insurance was legal at common law. But the case is not embarrassed by any such question. It was distinctly shown, and the proof in no way controverted, that the plaintiff was a creditor of Fish, when the insurance was effected, in an amount far exceeding the sum named in the policy, and that at the time of the trial the debt was still wholly unpaid. He had, therefore, within all the cases, an insurable interest in the life of Fish sufficient to support the policy. It was in no legal sense a wager contract.

Nor is it necessary to consider the question whether a life policy is in its nature a contract of indemnity, as marine and fire policies undoubtedly are. Regarding the policy in this case as substantially a contract of indemnity against the loss of the plaintiff's debts, and that as an interest was required to support its inception, a continuance of that interest is essential to its perpetuity; there was no pretense that the debt, or any part of it, had been paid. All that the case showed was that the statute of limitations had apparently run against the demand of the plaintiff at the death of Fish. But suppose the statute had attached, the interest of the plaintiff, as a creditor in the continuance of the life of his debtor, had not ceased entirely. The debt was not extinguished, as in the case of payment. It might be renewed by a new promise, and, indeed, without such promise, be enforced by action, unless the defense of the statute was directly interposed. It is not a legal presumption that when the statute of limitations has once run, the debtor will refuse to revive the debt by a new promise, or interpose the defense of the statute in an action to recover it.

But in the contract of life insurance it is enough that the party effecting the policy had an insurable interest at its inception; and it is not required that

that interest should continue and exist at the time of the death of the person whose life is insured, to entitle the holder of the policy to recover. Policies of insurance against fire and marine risks are properly contracts of indemnity — they are so in terms — but it is otherwise with life policies. “The contract,” says PARKE, B., in *Dalby v. The India and London Life Insurance Company*, 28 Eng. Law & Eq. Rep. 312, “commonly called ‘Life Assurance,’ when properly considered, is a mere contract to pay a certain sum of money on the death of a person, in consideration of the due payment of a certain annuity for his life, the amount of the annuity being calculated, in the first instance, according to the probable duration of life.” * * “This species of assurance in no way resembles a contract of indemnity.” Indemnity being the general principle which gives rise to fire and marine insurance, by a mistaken analogy, such a principle was at one time recognized in life insurance. This recognition grew out of the decision of *Goodsall v. Boldero*, 9 East, 72, decided in the King’s Bench in 1807, which was followed and adopted by text writers on insurance both in England and in this country; but which was overruled on error to the Exchequer Chamber in 1854, in the case of *Dalby v. The India, etc., Life Insurance Company*, *supra*. In the latter case

it was held that a life policy was not in its nature a contract of indemnity, but was what it purports to be on its face, a contract to pay a certain sum in the event of death; and if made by a person having an interest in the duration of the life, it was sufficient to make it valid in point of law, that that interest existed at the time of making the policy. It seems remarkable to me that any other view should be taken of the question. The contract is not to make any loss good, or to make compensation. The debt is not insured. It is an absolute contract to pay, not the amount of a loss or damage arising from a death, but a specified sum of money upon the termination of the life insured.

CASE XI.

The Peoria Marine and Fire Insurance Co. v. Hall, 11 Michigan,
(Cooley.)

Insurance by Partner — Special Limitation of Right to Sue — Gunpowder, Knowledge of Agent.

This was a suit brought by Hall against the company upon two policies of insurance against loss by fire; one upon a stock of goods in plaintiff's store in the village of Hamburg, Livingston county, Michigan, to the amount of \$2,000, dated January 13th, 1860, and the other for a like amount in the aggregate, upon plaintiff's dwelling-house, furniture,

clothing, barn and shed, hay and grain, and on his store-building there situate, the amount insured upon each being specified, that upon the building being \$150. This policy is dated August 9th, 1859.

The policies on their face are declared to be "made and accepted in reference to the conditions thereto annexed, which are to be used and resorted to in order to explain the rights and obligations of the parties in all cases not therein otherwise specially provided for." By the 8th condition annexed, it is declared, among other things, that "the keeping of gunpowder and fire crackers for sale, or on storage, upon or in the premises hereby insured, or in any building containing property insured by or under this policy, without written permission in the policy, shall render it void and of no force or effect." The 17th condition is in the following words: "It is further hereby expressly provided, that no suit or action against said company for the recovery of any claim under or by virtue of this policy shall be sustainable in any court of law or chancery, unless such suit or action shall be commenced within the term of twelve months next after any loss or damage shall occur; and in case any suit or action shall be commenced against said company after the expiration of twelve months next after such loss or damage shall have occurred, the lapse of time shall

be taken and deemed as conclusive evidence against the validity of the claim so attempted to be enforced."

It was proved on the trial by the plaintiff below, who was sworn as a witness in his own behalf, and the fact was undisputed, that at the time of the application for insurance of the goods, and at the date of the policy, one Helam Bennett was a partner of the plaintiff in business, and as such was the owner of the undivided one-half of the goods insured, and continued to be such partner and owner until the 14th day of March, 1860, when the plaintiff bought out his interest. There was evidence tending to show, as to the policy on the goods, that King, the agent of the company, came to the store and wanted to insure the goods; that plaintiff signed the application for the policy, which was mostly blank when signed; that some one came in, and King turned around and said plaintiff could sign it, and he, King, could fill it out; that plaintiff told King he usually sold gunpowder, and everything commonly sold in a country store, and that he intended to do so. And, in reference to the policy on the store, there was evidence that at the time the insurance was taken, the keeping of gunpowder was talked over with King, the agent, and he was told they had powder in the store, and was asked if it

would make any difference if powder was left for sale, to which he replied, "No."

There was also evidence that plaintiff, at the time of the application for the insurance on the goods, told the agent he did not think he, plaintiff, had a right to insure Bennett's share, and that King replied it would make no difference, that plaintiff had a right to insure the whole.

The fire occurred on the 31st day of March, 1860, by which the store-building and the stock of goods were destroyed.

The circuit judge charged the jury that "if the agent, King, at the time of the making of the policy on the goods, knew the interest of the parties, that they were jointly owned by the plaintiff and Bennett, and insured the whole stock, the policy would be valid for the whole stock insured." To this charge exception was taken, and this presents the first question we shall consider.

It is evident, from the language of the charge, that it was intended to instruct the jury that if the agent at the time of making the policy knew the interest of the parties, etc., the policy would be valid for the whole amount of the interest of both partners, and that the plaintiff was entitled to recover in this action the whole amount of the loss of all the goods, though his interest at the time of the

insurance was but one-half; and though the insurance was in his name alone, and his declaration averred that "at the time of making said policy, and from thence until the loss, etc., he was the owner of said property insured by said policy, and of the value and to the amount by the said defendant insured thereon."

Without attempting to decide what might have been the rule of law, had it appeared from the evidence that the insurance was really intended for the benefit of the firm, the premium paid from the partnership funds, and the transaction subsequently ratified by the other partner, we think where, as in the present case, there is no evidence of the kind, and its whole tendency is the other way, the rule is well settled in reference to a fire policy like this, that if one partner, or part owner of property held in common, insure in his own name only, the policy will cover his undivided interest and *no more*. *Graves v. Boston Marine Insurance Co.*, 2 Cranch, 419, 440; 3 Kent (5th ed.) 258; 2 Duer's Ins., secs. 24 and 20; *Finney v. Bedford Com. Ins. Co.*, 8 Met. 348; *Finney v. Warren Ins. Co.*, 1 Met. 16; *Pearson v. Lord*, 6 Mass. 81; 1 Phil. on Ins. 219, sec. 391; 1 Arnould on Ins. 146, and note. The rule may be otherwise where the partner making the insurance has made advances to the firm,

which, by agreement, are to constitute a lien on the goods insured. 2 Duer on Ins., secs. 19 and 24; 8 La. R. 557.

We do not see how the agent's knowledge of the interest of the parties, nor his belief or assurance that Hall had the right to insure the whole, can affect the question so long as the insurance was not in fact made on the account and for the benefit of the firm. One partner cannot, by reason alone of his interest in the firm as such, insure in his own name, and for his own benefit, the interest of his copartner in the partnership stock. And though such may have been the intention, both of the assured and of the company, on entering into the contract, the policy in legal effect can operate only as an indemnity against loss to the extent of the plaintiff's undivided half of the goods. And if the policy, when made, did not cover the other partner's undivided half, that portion would not be brought within it by the plaintiff's subsequent acquisition of the property from such other partner. The charge was therefore erroneous, and as the verdict of the jury, in accordance with the charge, was for the whole amount of the goods, the judgment must be reversed upon this ground. But as there is to be a new trial, we think it proper to indicate our opinion upon the two other questions raised in the case.

It was objected by the defendant below that the action was not brought within the period of twelve months after the loss, according to the 17th condition attached to the policy. It appears from the bill of exception that a summons was issued in the cause March 18th, 1861 — thirteen days before the expiration of the twelve months — returnable on the second day of April, 1861; that on the 3rd day of April, 1861, the sheriff made a return upon said summons that defendant could not be found in his bailiwick; that on the next day another summons was issued with which defendant was served, nothing appearing on the summons showing it to be a continuation of the first, except the word “alias” written by the clerk upon the face of the seal.

We do not deem it necessary to discuss the question whether the second summons, as an alias, operated strictly as a continuance of the first, so as to save a right of action against a statute of limitations, which had run upon it in the meantime; nor do we deem it necessary to determine the validity of this species of limitation by contract. If valid at all, it was valid *as a contract*, and not as a *statute*. A limitation fixed by statute is arbitrary and peremptory, admitting of no excuse for delay beyond the period fixed, unless such excuse be recognized by the statute itself. But a limitation by contract,

if valid, must, upon the principle governing contracts, be more flexible in its nature, and liable to be defeated or extended by any act of the defendant which has prevented the plaintiff from bringing his action within the prescribed period. The plaintiff had the whole of the twelve months in which to bring his suit, and it was as competent for him to institute it on the last as the first, or any intervening day. And the fundamental idea, the tacit condition, upon which such a limitation must rest, and without which it could not be tolerated for a moment, is that the defendant should be accessible to the service of process by which suit may be commenced against him, if not for the whole period, at least for a sufficient time immediately preceding its close, to enable the plaintiff to commence suit against him by the service of process in the ordinary legal mode, otherwise the defendant would be enabled to take advantage of his own wrong, and, by absenting himself entirely, to defeat the plaintiff's right of action.

The defendant, in the present case, was a foreign corporation, doing insurance business in this State. By the act of February 15th, 1859, full provision is made for bringing the action within the State; and the company, before doing any business in the State, was required to file in the office of the secre-

tary of state a resolution consenting that service of process may be made upon any agent of the company. Nothing is said in the case upon what agent the service of the second summons was made, but it must have been made upon some agent of the company. It does not appear whether there was an agent in the county of Jackson, or in any other particular county. It appears that S. S. Brown was the general agent of the company for the State, and that Knight was also an agent; but neither their residence nor place of business is stated. From anything which appears in the case the plaintiff was as much at liberty to bring his action in Jackson as in any other county, so far as the residence of an agent could have any bearing, if, indeed, it could have any under the law; and if an agent of the company resided in Jackson county, the action was certainly being properly brought there.

All that was necessary for the plaintiff to do to excuse the delay beyond the twelve months was to take the proper and usual means for instituting his suit and getting service of process within the limited period, which he did by issuing a summons thirteen days before the expiration of that period, returnable two days after it expired. The return shows that no service could be had during that

time. We can see no possible ground for imputing any want of good faith to the plaintiff in his endeavor to get the process served in time. Upon the facts stated in the case, therefore, it appears to have been the fault of the defendant — the absence of an agent — that the first summons was not served, and the action commenced within the twelve months; and this is sufficient to defeat the limitation or extend it till the service was made under the second summons, which was issued immediately on the return of the first.

As to the condition in reference to the keeping of gunpowder, there was evidence from which the jury were authorized to find that the agent knew it was kept at the time, and was to be kept after the insurance, and that he assented to it and induced the plaintiff to believe that it would make no difference.

Upon this point the court charged that “if plaintiff informed the agent that he kept gunpowder in his store for sale, and the agent intended to insure against keeping it, but neglected to endorse the permission on the back of the policy, such neglect would not make the policy invalid.” The condition did not provide for any endorsement of this kind upon the policy, but the keeping of gunpowder was to render the policy void, “without written

permission in the policy." To this extent the charge was inaccurate; yet we do not think it can be treated as error of which the company can complain, since we think the plaintiff was entitled to a still stronger charge in his favor. We think he would have been entitled to a charge that, if the agent knew it was kept and to be kept, the keeping it would not render the policy void, whether the permission was endorsed or intended or neglected to be endorsed or not.

But the counsel for the plaintiff in error insists that the printed condition was notice to the insured of the agent's want of authority to assent to the keeping of gunpowder, etc., and that this assent could be given only by the company itself. This, at first view, would seem plausible and might be sound, but for another principle which lies back of it and defeats its application. The principle to which we allude is, that notice to the agent is notice to his principal. The company must be regarded as knowing what he knew. If he knew that powder was kept at the time of the insurance, or to be kept during its continuance, the company must be regarded as having known it also. They had power to waive the condition; and by taking the premium and issuing the policy with such notice or knowledge, they must be regarded as having

waived the condition which prohibited its keeping. It would be a gross fraud in the company to receive the premium for issuing a policy on which they did not intend to be liable, and which they intended to treat as void in case of loss. *Bidwell v. N. W. Ins. Co.*, 24 N. Y. 302; *Frost v. Saratoga Mutual Ins. Co.*, 5 Denio, 154; *Masters v. Madison County Mutual Ins. Co.*, 11 Barb. 624; *Campbell v. Merchants' and Farmers' Mutual Ins. Co.*, 37 N. H. 35; *Marshall v. Columbian Ins. Co.*, 27 N. H. 157; *Hartford Prot. Ins. Co. v. Harmar*, 2 Ohio (N. S.) 452; *Howard Fire Ins. Co. v. Brunner*, 23 Pa. St. R. 50; *Clark v. Union Mutual Fire Ins. Co.*, 40 N. H. 333. And see Angell on Ins., sec. 480.

We see no error in the record or proceedings in the court below, except that in reference to the interest of the plaintiff at the time of the insurance. For this error the judgment must be reversed, with costs, and a new trial granted.

All the justices concurred.

CASE XII.

Cromwell v. The Brooklyn Fire Ins. Co., 39 Barbour, (N. Y.) 227.

Equitable Assignment of Insurance Money.

Where a purchaser agrees to insure for the benefit of his vendor, and to assign the policy for his security, and he subsequently procures the building

to be insured, but does not assign the policy to the vendor, the agreement operates as an equitable assignment of the *money* payable upon the policy, in case of loss, but not as an assignment of the *policy*. Hence, the case does not come within the terms of a clause in the policy declaring that the interest of the insured, in the policy, is not assignable, unless with the consent, in writing, of the insurers, and that the policy should become void if such interest is transferred or terminated without such consent.

CASE XIII.

Wyman, Adm'r, etc., v. Wyman et al., 12 *Smith*, (New York,) 253.

Descent of Interest of Insured to Heirs—Rights of Administrator.

Upon the death of one who has effected an insurance against fire of his house, the interest in the policy devolves upon his heirs at law, and, in case of loss, the damages accrue to them.

Where the policy runs to the insured, his executors or administrators, the personal representative may, *it seems*, maintain an action, as trustee, for those beneficially interested in the real estate.

The damages recovered stand in the hands of the administrator, not as personal assets, but as realty, subject to dower and to the lien of creditors by

judgment before distribution among the heirs at law.

CASE XIV.

Sheldon et al. v. The Atlantic Ins. Co., 12 Smith, (New York,) 460.

Receipt of Premium — Waiver of Prepayment.

The acknowledgment in a fire policy of the receipt of premium does not, it seems, estop the insurer from showing that it has not been paid. It is evidence, but not conclusive.

A general agent of the insurer may waive a condition in the policy that no insurance should be considered as binding until actual payment of the premium.

Where the agent sent a policy by mail to an applicant for insurance, with a statement that the premium charged was higher than usual, and saying, "Should you decline the policy, please return it by mail; if you retain it, please send me the premium" — *Held*, that this was a waiver of prepayment, and that the policy became effectual upon the insured retaining and thereby accepting it, or, at all events, that the question should have been submitted to the jury.

CASE XV.

Hammond v. The American Mutual Life Ins. Co., 10 Gray, Jr.,
(Mass.) 306.

Premium Falling Due on Sunday.

Under a policy of life insurance, to "terminate in case the premium charged shall not be paid in advance on or before the day at noon on which the same shall become due and payable," if the day of payment falls on Sunday, the premium is not payable until Monday, even if the insured dies on Sunday afternoon.

CASE XVI.

Frye v. Bank of Illinois, 5 Gilman, 335.

Authority to Loan Money.

Insurance companies have not the power to loan money, upon mortgage security or otherwise, unless such power is expressly given by charter. Such a power might be presumed in favor of a bank, but not in favor of an insurance company.

CASE XVII.

The People v. Thurber, 13 Ill. R. 555.

Tax on Foreign Insurance Companies.

The legislature has power to require the agents of foreign insurance companies to pay three per cent. of their premiums into the public treasury.

This is not a tax upon property, but is a burden imposed upon the agent for the right of exercising a franchise or privilege, and which the legislature would have the right to withhold or inhibit altogether. The amount of premiums charged is merely used as a mode of computing the amount to be paid for the use of the privilege.

The court say that it would be strange indeed, if the legislature had not the power to prescribe the terms upon which foreign corporations should be permitted to come into the State and carry on their business, or even to prohibit them altogether. If foreign, and perhaps irresponsible corporations, may force themselves upon us in defiance of our laws, State sovereignty is but a name.

Such a provision is not an infringement of the right of Congress to regulate commerce between the States.

CASE XVIII.

Case v. The Hartford Fire Insurance Co., 13 Ill. R. 677.

Loss without Ignition — Extent of Insurer's Liability — Negligence of Insured.

The doctrine that the proof of loss must show an actual ignition by fire, and that damage by heat alone, without actual ignition, is not covered by the policy, is exploded.

Whenever the thing insured becomes, by law, chargeable with any expense, contribution, or loss, in consequence of a particular peril, the law treats that peril, for all practical purposes, as the proximate cause thereof; and whatever loss arises as a natural or necessary consequence of the peril insured against, is within the policy.

Goods may be so carelessly removed, and so wantonly and unnecessarily exposed, as to relieve the company from all liability on account of their loss or injury.

CASE XIX.

The Peoria Marine and Fire Ins. Co. v. David Lewis et al., 18
Ill. R. 553 *et seq.*

*Waiver of Objection — Meaning of “Forthwith”
— Several Policies — Whole Payment and Contri-
bution.*

An insurance company may not only waive the right to make objection to a want of proof, and to imperfect proof, but it is considered as waived to everything not specifically pointed out.

The provision in the conditions that notice of loss is to be given *forthwith*, means within a reasonable time, under the circumstances. Notice in two days, and proof in five days, is *forthwith*.

A starch manufactory substantially includes the fixtures, etc., necessary to the processes of such manufacture.

Where there is more than one insurance, unless otherwise provided in the policy, the company may be compelled to pay the whole loss, and will be entitled to sue and recover a proportionate amount of the other companies.

CASE XX.

The Howard Insurance Co., of Philadelphia, v. Sam. H. Cormick et al., 24 Ill. R. 455.

Misrepresentation and Concealment — Agent's Knowledge, Waiver of Conditions.

Misrepresentations touching a building in which goods are, do not avoid a policy of insurance upon such goods.

If the loss had been occasioned by something falsely, although unnecessarily represented, or from its concealment when interrogated as to its existence, then that fact might be shown, for the purpose of establishing a fraud on the company.

The court cite authorities and approve the doctrine that when the survey is made by the agent of the company, and a mistake occurs in the application, the insured is not bound by it, but may show, by parol, the knowledge of the fact by the agent. In one case it was held that a verbal notice of a mortgage against the property, given to the agent, was sufficient, notwithstanding the policy required it to be in writing.

CASE XXI.

The Peoria Marine and Fire Ins. Co. v. Whitehill, 25 Ill. R. 466.

*Partial Recovery, Pleading — Waiver of Proofs —
Nearest Magistrate — Special Limitation, how
Waived.*

Under a declaration for a total loss, there may be a recovery of damages for a partial loss.

The rule is well established that if an insurance company put their refusal to pay on some other ground than a defect in preliminary proofs, their silence will be held as a waiver of the defects, and the proofs must be considered as having been duly made, according to the conditions of the policy.

As to the nearness of the magistrate or notary, the courts will not be very particular, — a few yards, more or less, will not be regarded.

The court review the cases and hold that an insurance company have the right to fix a time within which an action must be brought, or it will be barred. But if the company shall, by fraud, or by holding out reasonable hopes of an adjustment, deter a party insured under such condition from commencing suit, he honestly confiding in the pretenses and promises of the insurer, the condition would be no bar; but in such a case there should be proper averments in the declaration, of the facts.

CASE XXII.

New England Fire and Marine Insurance Co. v. George H. Wetmore et al., 32 Ill. 221.

Policy Assigned, who may Sue — Renewal Receipt — Prohibited Use — Estoppel to Deny Interest — Mortgage — Assignment to Insurer.

It is a general principle, that in a suit upon a fire policy of insurance, the insured must have an interest in the property at the time of the loss to entitle him to recover.

But this is not true in every case, for the insured may have assigned his interest, with the consent of the insurers, and in that event the suit should be brought in the name of the insured, for the benefit of his assignee.

It is not understood that an assignee of an insurance policy can maintain a suit thereon in his own name, unless it is so authorized by the act incorporating the insurance company, or by the general law.

At common law the assignee could not maintain the action in his own name.

But, if it were necessary that the party insured should, in such case, have an interest at the time of the loss, the amount of interest, or kind, is not material, so that it is a subsisting interest.

So, where the insured held certain notes secured by a mortgage upon a house which he procured to be insured, and he afterwards, and before the loss occurred, assigned the notes and mortgage and the policy, with the assent of the insurers, it was considered that the ultimate liability of the insured upon his assignment of the notes, and his consequent interest in having the insurance money go to the satisfaction of these notes in the hands of his assignee, was a sufficient interest to authorize him to sue in his own name for a recovery of the insurance money.

But, on principle, it would seem the fact of the insured having no interest in the insurance at the time of the loss, cannot affect his right to sue and recover for the benefit of his assignee.

No act of the party insured, after an assignment of the policy with the assent of the insurers, can impair the rights of the assignee.

Where the term for which an insurance is effected is about to expire, and a premium is paid for another term, for which a renewal receipt is given, under the conditions contained in the policy, such renewal receipt does not constitute a new agreement of insurance, but merely revives an expiring contract and continues it in force another term. And if a loss occurs within the new term, a recovery must be

had upon the original contract, if a recovery is to be had at all.

Nor would the rule be different because the premium for the new term was paid by one to whom the policy and the interest insured had been assigned during the original term of insurance, and to whom the renewal receipt was given. For the parties to the original contract are not thereby changed, nor is there any substitution of parties, and the renewal is only valid and binding, as to rights and obligations, by reference to the policy first issued. A recovery must be had in such case, if at all, in the name of the party originally insured.

The description of the premises sought to be insured in the application, in reference to the uses to which they are then being applied, is not to be regarded as a warranty that they shall not be used, during the existence of the policy, for any other purpose. The application is a mere representation of the insured, and he is not bound to set it out and prove its truth; but if successfully attacked by the defense, if they can show the representation was false, the insured cannot recover on the policy.

So where a policy of insurance provided, that should the premises insured be applied during the term of the insurance, to any of certain prohibited

uses, the policy then and from thenceforth, *so long as the same should be so appropriated, applied or used*, should cease, and be of no force or effect, it was held, that the application of the property to a prohibited use, within the term, would not affect the right of the insured to recover in case of a loss, if, *at the time of the loss*, the property was not being so improperly applied or used, and it did not appear that such antecedent misapplication increased the risk or contributed to the loss.

Should, however, the loss occur whilst the property was being appropriated to any prohibited use, then, doubtless, the policy would be avoided.

Where the insurers of property have, by their acts and conduct, acknowledged the interest in the premises, of one who paid to them a premium for a renewal of the insurance for another term, they can not afterwards allege against his interest in a suit to recover the insurance money for a loss occurring after that time.

By one of the conditions of a policy of insurance issued to a mortgagee, the insured was required, in the event of a loss, to assign to the company the mortgage upon the premises insured, together with the debt secured thereby, or so much thereof as would be sufficient to pay the loss, and a refusal to execute such assignment should operate to discharge

the company from all liability under the contract. It is held a sufficient compliance with such condition to assign so much of the mortgage debt as would cover the amount of the insurance; the insured is not required to assign the entire debt, when it exceeds the amount insured.

And where the insured, in such case, assigns the debt to the insurers, it is not an unreasonable condition of the assignment that they shall prosecute it at their own costs.

CHAPTER XI.

THE ANSELL COMPUTING RULES.

1. COMPOUND INTEREST AMOUNT.
2. COMPOUND INTEREST DISCOUNT.
3. ANNUITY INCREASE.
4. ANNUITY DISCOUNT.
5. LIFE ANNUITY VALUE.
6. LIMITED ANNUITY VALUE.
7. HALF-YEARLY ANNUITY VALUE.
8. QUARTERLY ANNUITY VALUE.
9. VALUE AT ASSIGNED AGE.
10. PRESENT VALUE ON ASSIGNED AGE, FOR YEARS.
11. MONTHLY ANNUITY, ASSIGNED AGE.
12. MONTHLY ANNUITY, ASSIGNED AGE, FOR YEARS.
13. PRESENT VALUE OF GIVEN SUM.
14. ANNUAL PREMIUM ON GIVEN SUM.
15. PREMIUM IN INSTALLMENTS.
16. PREMIUM IN MONTHLY INSTALLMENTS.
17. PREMIUM TILL GIVEN OLDER AGE.
18. MONTHLY INSTALLMENTS FOR ANNUITY VALUE.
19. VALUE OF SICKNESS ALLOWANCE.
20. SICKNESS ALLOWANCE, OLDER AGE.
21. SICKNESS ALLOWANCE FROM ASSIGNED AGE.
22. ANNUAL PREMIUM FOR SICKNESS ALLOWANCE.

23. ANNUAL PREMIUM FOR ALLOWANCE FROM ASSIGNED AGE.
24. SICKNESS ALLOWANCE FOR PREMIUM TERM.
25. MONTHLY INSTALLMENTS FOR WEEKLY ALLOWANCE.
26. MONTHLY INSTALLMENTS FOR ALLOWANCE THEREAFTER.
27. INSTALLMENTS FOR ALLOWANCE DURING PREMIUM TERM.

1. *Compound Interest Amount.*

To find the amount to which a given sum will increase, in a given number of years, at compound interest.

RULE.—Raise £1, or unity, increased by the *rate* of interest, to that power which is equal to the given number of years, and multiply the given sum by such power. The product will be the amount in the given number of years.

2. *Compound Interest Discount.*

To find what present sum will, in a given number of years, increase, at compound interest, to a given amount.

RULE.—Raise £1, or unity, increased by the *rate* of interest to that power which is equal to the given number of years, and divide the given amount by that power.

3. *Annuity Increase.*

To find to what amount an annuity, or given sum payable at the end of every year, will increase in a given number of years.

RULE.—Raise £1, or unity, increased by the *rate* of interest, to that power which is equal to the given number of years. From such power subtract unity; then multiply the remainder by the given annuity, and divide the product by the rate of interest.

4. *Annuity Discount.*

To find the present value of an annuity certain, payable for a given number of years.

RULE.—Raise unity, increased by its rate of interest, to that power which is equal to the given number of years, and divide unity by such power; subtract the quotient from unity; then multiply the remainder by the given annuity, and divide the product by the rate of interest.

5. *Life Annuity Value.*

Having a table showing the value of an annuity on a single life of every year of age, to find the value, at an assigned age, of a life annuity to be entered on at the end of a given number of years.

RULE.—Multiply the value of an annuity of £1 on a life, older, by the given number of years, than the assigned age, into the probability that a life of the younger age will live until the older age. Multiply this product by unity discounted for the given

number of years. The last product, multiplied by the stated annuity, will give the answer required.

6. *Limited Annuity Value.*

Having, as before, a table showing the value of an annuity on a single life of every year of age, to find the present value of a stated annuity on a life of an assigned age, to be received for a given number of years only, should the life so long continue in being.

RULE.—From the value of an annuity of £1, payable during the whole continuance of a life of the assigned age, subtract the value of an annuity on the same life, to be entered on at the end of the given number of years. The remainder, multiplied by the stated annuity, will give the answer required.

7. *Half-Yearly Annuity Value.*

To find the present value of an annuity on a given life, *payable half-yearly*.

RULE.—To the present value of an annuity of £1 on the assigned life, *payable yearly*, add one-quarter of a year's purchase (or .25), and multiply the sum by the given annuity.

8. *Quarterly Annuity Value.*

To find the present value of an annuity on an assigned life, *payable quarterly*.

RULE.—To the present value of an annuity of £1 on the assigned life, *payable yearly*, add three-eighths of a year's purchase (or .375), and multiply the sum by the given annuity.

9. *Value at Assigned Age.*

To find the value, at an assigned age, of an annuity, *payable half-yearly*, and to be entered on at the end of a given number of years.

RULE.—Multiply the value of an annuity of £1 on a life, older by the given number of years than the assigned age, and *payable half-yearly*, by the probability that a life of the younger age will live until the older age. Multiply the result by unity, discounted for the given number of years. The last product, multiplied by the stated annuity, will give the answer required.

10. *Present Value on Assigned Age, for Years.*

To find the present value of an annuity, *payable half-yearly*, on a life of an assigned age, to be received for a given number of years only, should the life so long continue.

RULE.—From the present value of an annuity of £1, *payable half-yearly*, during the *whole continuance* of a life of the assigned age, subtract the value of an annuity on the same life, *payable half-yearly*,

to be entered on at the end of the given number of years. The remainder, multiplied by the stated annuity, will give the answer required.

11. *Monthly Annuity, Assigned Age.*

To find the value, at an assigned age, of an annuity *payable monthly*, and to be entered on at the end of a given number of years.

RULE.—Proceed in all respects as in case 9, substituting for an annuity payable half-yearly, an annuity payable monthly.

12. *Monthly Annuity, Assigned Age, for Years.*

To find the present value of an annuity, *payable monthly*, on a life of an assigned age, to be received for a given number of years only, should the life so long continue.

RULE.—Proceed in all respects as in case No. 10, substituting for a half-yearly annuity, an annuity payable monthly.

NOTE.—The last six cases will be sufficient to exemplify the method of finding the present value of either a temporary, or of a deferred annuity, payable at other intervals of a year than those involved in the examples given.

13. *Present Value of Given Sum.*

To find the present value of a given sum to be received at the end of a year, in which a life of an assigned age may fail.

RULE.—Multiply the value of an annuity of £1 on a life of the assigned age, by the rate of interest, and subtract the product from unity. Then divide the remainder by the amount of £1 in one year, and the quotient will be the present value of an assurance of £1 on the assigned life; multiply this last value by the given sum, and the product will be the present value sought.

14. *Annual Premium on Given Sum.*

To find the annual premium to be paid, at the beginning of every year, for the assurance of a given sum on an assigned life.

RULE.—Divide the present value of the assurance of £1, on the assigned life, by the value of an annuity of £1 on the same life increased by unity. Multiply the quotient by the given sum, and the product will be the annual premium required.

15. *Premium in Installments.*

To find the annual premium, *payable half-yearly*, by equal installments, for the assurance of a given sum on an assigned life.

RULE.—Proceed as in the last case, substituting for an annuity *payable yearly* on the assigned life increased by unity, an annuity *payable half-yearly* increased by half unity.

16. *Premium in Monthly Installments.*

To find the annual premium, *payable by equal monthly installments*, for the assurance of a given sum on an assigned life.

RULE.—Proceed as in case 14, substituting for an annuity *payable yearly* on the assigned life increased by unity, an annuity *payable monthly*, increased by the twelfth part of a year's purchase (.0833).

17. *Premium till Given Older Age.*

To find the annual premium to be paid by a person of an assigned age, *until a given older age*, in lieu of the single present value of an annuity payable yearly, and to be entered on at that older age.

RULE.—Divide the present value of an annuity of £1 on the assigned life, deferred for so many years as may be equal to the difference between the younger and older ages (case 5), by the present value of an annuity on the assigned life, *payable for the intervening term only*, increased by unity (case 6). Multiply the quotient by the given annuity, and the product will be the answer required.

18. *Monthly Installments for Annuity Value.*

To find the annual premium to be paid *in equal monthly installments* by a person of an assigned age, until a given older age; in lieu of the single present value of an annuity *payable monthly*, and to be entered upon at that older age.

RULE.—Divide the present value of an annuity of £1, *payable monthly* on the assigned life, and deferred for so many years as may be equal to the difference between the younger and older ages (case 11), by the present value of an annuity of £1 on the assigned life, *payable monthly*, for the intervening term only (case 12), increased by one-twelfth part of a year's purchase (.0833). Multiply the quotient by the given annuity, and the product will be the answer required.

19. *Value of Sickness Allowance.*

To find the value, at an assigned age, of a given *weekly allowance during sickness* from that assigned age up to age 70.

RULE.—Multiply the value of a daily allowance in sickness, after the rate of £1 per week, from the assigned age up to age 70, (as shown in table at end of these Rules,) by the given weekly allowance, and the product will be the answer required.

20. *Sickness Allowance, Older Age.*

To find the value, at an assigned age, of a given weekly allowance during sickness, up to age 70; but not to be entered upon until a given older age; such older age being less than 70.

RULE.—Multiply the value, at the older age, of a sickness allowance of £1 per week up to age 70, by the value of £1 discounted for so many years as may be equal to the difference between the assigned age and given older age; multiply this product by the probability of a person of the assigned age living to that older age. This last product multiplied by the given weekly allowance, will give the answer required.

21. *Sickness Allowance from Assigned Age.*

To find the value, at an assigned age, of a stated allowance during sickness, from that assigned age up to any given older age less than 70.

RULE.—From the value, at the assigned age, of an allowance of £1 per week during sickness up to age 70, deduct the value, at the assigned age, of a like allowance to be entered upon at the given older age, as found by the last rule. The difference multiplied by the stated weekly allowance, will give the answer required.

22. *Annual Premium for Sickness Allowance.*

To find the annual premium, payable from an assigned age until age 70, equivalent to the value in a single payment, of a stated weekly allowance during sickness, from that assigned age up to age 70.

RULE.—Divide the value, in a single payment, of an allowance of £1 per week during sickness, from the assigned age up to age 70 (as shown in table at end of these Rules,) by the value of an annuity of £1, on a life of the assigned age, payable from that age to age 70, increased by unity. Multiply the quotient by the stated weekly allowance, and the product will be the answer required.

23. *Annual Premium for Allowance from Assigned Age.*

To find the annual premium, payable from an assigned age until a given older age less than 70, for a stated allowance during sickness, to be entered upon at the given older age, and then to continue until age 70.

RULE.—Divide the value, in a single payment, at the assigned age, of a weekly allowance of £1 in sickness, from the given older age until age 70, (case 20,) by the value of an annuity of £1, payable from the assigned age up to the given older age, increased by unity. Multiply the quotient by the

stated allowance in sickness, and the product will be the annual premium required.

24. *Sickness Allowance for Premium Term.*

To find the annual premium, payable from an assigned age until a given older age less than 70, for a stated allowance during sickness, for the term only during which the annual premium may be payable.

RULE.—Divide the single value, at the assigned age, of an allowance of £1 per week during sickness, from that assigned age until the given older age, (case 21,) by the value of an annuity of £1, payable for the same term, increased by unity. Multiply the quotient by the stated allowance during sickness, and the product will be the annual premium required.

25. *Monthly Installments for Weekly Allowance.*

To find the annual premium, *payable in equal monthly installments*, from an assigned age to age 70, equivalent to the value in a single payment, of a stated weekly allowance during sickness from that assigned age up to age 70.

RULE.—Divide the value, in a single payment, of an allowance of £1 per week during sickness, from the assigned age up to age 70, (as shown in table at end of these Rules,) by the value of an annuity of

£1, on a life of the assigned age, *payable monthly*, from that age up to age 70, increased by (.0833), one-twelfth part of a year's purchase. Multiply the quotient by the stated weekly allowance, and the product will be the answer required.

26. *Monthly Installments for Allowance thereafter.*

To find the annual premium, *payable by equal monthly installments*, from an assigned age until a given older age less than 70, for a stated allowance during sickness, to be entered upon at the given older age, and then to continue until age 70.

RULE.—Divide the value, in a single payment, *at the assigned age*, of a weekly allowance of £1 in sickness from the given older age to age 70, (case 20,) by the value of an annuity of £1, *payable monthly* from the assigned age to the given older age, increased by (.0833), one-twelfth of a year's purchase. Multiply the quotient by the stated allowance in sickness, and the product will be the annual premium required.

27. *Installments for Allowance during Premium Term.*

To find the annual premium, *payable by equal monthly installments*, from an assigned age until a given older age less than 70, for a stated allowance

during sickness for the term only during which the annual premium may be payable.

RULE.—Divide the single value, at the assigned age, of an allowance of £1 per week during sickness, from that age until the given older age, (case 21,) by the value of an annuity of £1, payable monthly for the same term, increased by (.0833), the twelfth part of a year's purchase. Multiply the quotient by the stated allowance during sickness, and the product will be the annual premium required.

TABLE,

Showing the single Premiums to be paid by Persons of the under-mentioned Ages, for assuring an Allowance of £1 per Week during Sickness up to Age 70. Interest, 3 per cent.

Age.	Single Premium, 3 per cent.	Age.	Single Premium, 3 per cent.	Age.	Single Premium, 3 per cent.	Age.	Single Premium, 3 per cent.	Age.	Single Premium, 3 per cent.
20	27·0881	30	30·0958	40	34·3204	50	38·7078	60	39·2316
21	27·3314	31	30·4677	41	34·7873	51	39·0532	61	38·5158
22	27·5878	32	30·8523	42	35·2564	52	39·3651	62	37·4887
23	27·8571	33	31·2491	43	35·7249	53	39·6366	63	36·0597
24	28·1392	34	31·6578	44	36·1897	54	39·8572	64	34·1176
25	28·4337	35	32·0779	45	36·6475	55	40·0162	65	31·5187
26	28·7407	36	32·5088	46	37·0949	56	40·1034	66	28·0711
27	29·0602	37	32·9501	47	37·5280	57	40·0985	67	23·5385
28	29·3923	38	33·4001	48	37·9426	58	39·9751	68	17·6209
29	29·7375	39	33·8574	49	38·3367	59	39·7001	69	9·9369

Examples of the application of the foregoing rules are given by Mr. Ansell, in his work on Friendly Societies, to which volume those who may wish to pursue the subject further, are referred.

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